

Stimulus Enterprise Development Guide for Frontier Market Economies

Establishing Sustainable Ecosystems:
A Critical Path To Enterprise Development

Rudo Nyangulu-Mungofa, McCloud T. Mungofa, Musekiwa Samuriwo & Waddilove Sansole



Creative entrepreneurs being trained in design thinking as part of the *Creative Economy Masterclass 2017 Incubation Program*

Partner(s): The British Council (Southern Cluster) [United Kingdom] and Zimbabwe German Society - Goethe Zentrum Harare [Germany]

Photography: Inonzi Memory for Stimulus Africa



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This operational guide presents a framework for sustainable enterprise development in frontier market economies. It's systematic review and recommendations on this subject is derived from years of experience in supporting the development of resilient communities, micro enterprises and scalable enterprises at various stages of growth across the operations and activities of Stimulus Africa.



Out of school adolescent girls and young women in Mbire District being taught taught basic entrepreneurship skills (Stimulus PAP) under the No to Child Marriage-Education First Project

Partner(s): Catholic Relief Services [CRS] (United States of America)

Photography: Inonzi Memory for Stimulus Africa



Contents

Acknowledgements	05
Foreword	08
Executive Summary	11
1.0 Introduction	15
1.1 Purpose	15
1.2 Objective	16
1.3 Use of the Guide	16
1.4 Tools & Resources	16
2.0 Context	19
2.1 Background	19
2.2 Enterprise Development	20
2.3 Ecosystem Development	20
2.4 Why is a Context Specific Enterprise Development Strategy Important for Africa?	20
2.5 Political Economy and Power Dynamics	21
2.6 Climate Change and Other Environmental Factors	21
2.7 Economies Classification	24
3.0 Problem Analysis	27
3.1 Problem Identification Process	27
3.2 Problem Analysis	28
4.0 Theory Of Change	31
4.1 Theory Of Change (TOC)	31
5.0 Intervention Planning	35
5.1 Sustainable Intervention Model	36
5.2 Key Approaches	37
5.3 Contextualisation Mapping	38
5.4 Multi-Level Stakeholder Engagement Strategy	40
6.0 Programme Design	43
6.1 Enterprise Ecosystem Development	44
6.1.1 Enterprise Ecosystem Typology	46
6.1.2 Characteristics of Viable Enterprise Ecosystems	47
6.1.3 Mentorship	49
6.1.4 Networks	50
6.1.5 Advocacy	52
6.2 Enterprise Development	53
6.2.1 Enterprise Level	53
6.3 Capacity Development	59
6.3.1 Stimulus Incubation Programme	60
6.3.2 Smart Financing [PAP PLUS+]	62
6.4 Intervention Financing	64
6.4.1 Implementation Investment	64
6.4.2 Ecosystem and Enterprise Development Investment	64
6.4.3 Enterprise Financing	64
6.4.4 Impact Investment at Resilient Communities & Micro Enterprise Level	66
6.4.5 Impact Investment and Enterprise Financing at Scalable Enterprise Level	68
7.0 Implementation Management and Measurement	73
7.1 Key Principles in Project Implementation	73
7.2 Governance and Reporting Overview	75
7.3 Reporting Process	76
8.0 Conclusion	80
8.1 Considerations for the Future	80
8.1.1 Information Systems and Big Data	81
8.1.2 Defragmenting the African Market	81
8.1.3 Green Collar Jobs	81
8.2 The Stimulus Africa Position	81
9.0 Annexes	82
Glossary	83
List of Tables & Figures	86
Author Profiles	87
Bibliography	88

Pastor Kumbukani Phiri supporting Stimulus Africa's ongoing Mobile Hub Community Outreach programme by training youth from Rugare and Mbare in Harare in Life Skills.

Partner(s): Hivos Southern Africa

Photography: Inonzi Memory for Stimulus Africa



Acknowledgements

Developing this guide has been an insightful journey in retrospective thinking. As the core content involved documenting our growth, the guide required months of combing through past projects while mapping the stages of our iteration. I was surprised at how much had to be consolidated into less than a hundred pages. The journey began at the turn of this last decade as a notion in response to a challenge. Soon this thought evolved into an innovative concept; touted by some as an idea that had come before its time. As such, the initial stages of establishment were resourced by considerable financial investment from family. Six years later, it is now a theory that has been applied, tested, and proved – the proverbial idea whose time has come – with a clear vision and defined mandate.

The other side of the coin, however, was that this process was also an opportunity to clearly articulate what we do, why we do it, and where we are striving to take enterprise development in Africa. This is an invaluable process in positioning Stimulus Africa to leverage the opportunities that are ahead while spurring the impetus for future partnerships, programs and endeavours throughout Africa. As much as it is an account of the past it is also a map for the future. While it has been challenging, the journey so far has been supported by personal networks and like-minded individuals as well as organisations that we have formed relationships with along the way. Having completed the exercise of collating this guide I am reminded of their contributions to our progress and would like to take this opportunity to extend my sincere gratitude.

I would like to start by appreciating my co-authors who considered the formidable task of developing this guide and rose to the charge to make this publication possible. They are:

Waddilove Sansole, an enterprise development specialist, and key collaborator with extensive experience in the agri-business and inclusive business space who has supported our work since we first worked together in 2015 when we partnered with SNV Zimbabwe. Ever with his

finger on the pulse of innovation on the continent, he helped us establish our ICT4 Development symposium platform and he volunteers as the chair of the Stimulus Green Business Network. Waddilove is also a mentor on our acceleration programme. His breadth of experience and appreciation of the subject matter shaped our thinking during the development of this guide.

McCloud Mungofa, a project management professional as well as my business partner, has been an unwavering support and champion of the vision from the beginning. He has played a strategic role in re-focusing the business model, with a special emphasis on achieving sustainability. He is the chair of the Stimulus Project Management Network which supports all project development at Stimulus internally and for the enterprises we train and support. Implementation through sound project management methodology is his strength and this has enabled our programmes and interventions to be distinct. He provides a critical component of this guide through shaping our delivery process.

Musekiwa Samuriwo, a technology entrepreneur, business strategist and author, has been a supporter of Stimulus Africa for many years. Musekiwa has taught on many of our programmes from inception. In this role he has inspired a generation of young innovators, technocrats and creative entrepreneurs to strategically grow their businesses. His contribution has been significant in writing this guide stemming from our shared journey. He is a business coach, speaker and mentor on our programmes and leads the development of the Stimulus PAP PLUS+ Business Acceleration programme.

I am also eternally grateful to family and friends who provided the initial investment to give the organisation “signs of life”. Through their support we were able to develop quality training products and offer professional services and support to entrepreneurs.

Acknowledgements

As we progressed we began to notice that most of our target client base could afford our services less and less. The economy in Zimbabwe was starting to experience a dip from 2012 to 2014 following a burst of growth in 2009. We needed to bridge the gap for many of our participants and sought out partnerships. This has become a critical component to achieving sustainable impact.

My heartfelt thanks go to the first person and organisation that believed in our vision, work and came along side us as a partner, Tambudzai Madzimure representing Hivos, People Unlimited, back in 2014.

Since then, we have worked on a number of projects through several key partnerships where we have sought to economically empower people in various sectors through the development of sustainable enterprises. These include; Culture Fund with Sida; Danida, SNV Zimbabwe, World Education; Bantwana; Catholic Relief Services; the Zimbabwe German Society; British Council, OSISA, and a particular appreciation for UN Women Zimbabwe for affording us access to critical platforms and exposure on the continent.

Stimulus Africa has thrived through these progressive partnerships that have resulted in sustainable impact investment where it is most important, within the enterprise development landscape. The synergies that have emanated from a shared common value system that is anchored on the belief that poverty must end as well as that Africa has all the potential it requires to drive this in its greatest resource – its people. These are individuals whom, if suitably inspired to dream bigger and given a boost towards economic empowerment through skills development, networks and access to smart finance, could change the narrative of Africa in a generation.

Throughout this publication you will see some clear examples of our work and projects that

have enabled us to gain experience, test out our ideas and innovate. This work is only made possible by our dedicated team who work tirelessly to deliver our projects, our board who give us sound advice and the partners who have collaborated with us.

Borrowing from the African proverb, ‘it takes a whole village to raise a child’, the reality of sustainable economic development in Africa is that it will take multiple agents working together across diverse platforms to align behind this one cause for us to achieve it.

Rudo Nyangulu-Mungofa **Founder| Executive Director,** **Stimulus Africa**

Stimulus Africa, otherwise known as Stimulus, is an enterprise development and business consultancy firm founded in 2011 in Zimbabwe and currently operating in Southern Africa. The organisation which has its flagship entrepreneurship incubation and acceleration innovation hub in Harare has a pan-African perspective. Its aim is to positively disrupt the way Africa approaches enterprise development towards sustainability and achieves this through the establishment of enterprise ecosystems.

These ecosystems provide business essentials training, business development professional services, mentorship, networks, access to information, markets, finance and advocacy. The overarching goal of the organisation is to support sustainable economic growth in Africa through strengthening entrepreneurs and investing in the establishment of strong enterprises that have the capacity to create decent jobs, and innovating to create new products and services for the African market.

Stimulus Africa co-founder Rudo Nyangulu-Mungofa delivering a speech at the 2015 edition of the Stimulus Africa annual Christmas Dinner and CEO Masterclass.

Photography: Ino... for Stimulus Africa



Foreword

Early in 2011 when I was still president of the Preferential Trade Area [PTA] Bank, now Trade Development Bank (TDB), I visited Zimbabwe on business but found time to call upon my learned friend for many years, Advocate Vanani S. Nyangulu and his wife. Whilst there I met their daughter, Rudo, a fiery young woman who spoke passionately about the challenges young entrepreneurs were facing in Zimbabwe; she cited the lack of business skills, entrepreneurial learning, networks, and mentorship, the untapped potential for regional economic regeneration within young African entrepreneurs among them.

The situation she described was not unique to Zimbabwe or to young people, the continent has a plethora of micro and small enterprises driven by entrepreneurs and with little skill, capacity support or mentorship speaks to the great need but also to the real potential to alleviate the unemployment problem in Africa and strengthen markets and enterprises that can drive economic growth. To not address the issue would be to seal Africa's fate in a downward decline. The reality is that if sufficient opportunities are not created the burgeoning number of unemployed youths will ground the continent.

Considering the regions rising unemployment rate, enterprise development is an arena that requires far more attention, support, investment and focus than the current status quo. This is because the dangers it curtails are far greater than we have allowed ourselves to see. The threat is no longer simply a continued state of poverty, it is the imminent danger of an entire continent eventually grinding to a halt. From a humanitarian perspective the compounding ripple effects are devastating if not catastrophic.

Africa needs visionaries, those who see a different Africa and are willing to not only run the race but to lead, innovate and challenge what is and champion what could be, people who would create a Stimulus Africa out of a challenge to be the change they want to see. This guide is therefore important in the context of the dialogue of, 'the Africa we want'. It demonstrates that not only is economic growth possible at every level in Africa today, we have a road map to lead us there. and ecosystem development creates the necessary sustainability environment that is critical to support the growth of fledgling enterprises.

Stimulus' Enterprise Development Guide for Frontier Market Economies, seeks to contribute to sustainable enterprise development by documenting the approach, learnings and outcomes of Stimulus Africa's experiences while working with young entrepreneurs across the continent.

Driven by the desire to create economic opportunities for women and youth, Stimulus Africa's guide also aims to create a systemic methodology to stimulate, track, evaluate and accelerate enterprise development in Africa.

The last decade has certainly seen an increased focus on enterprise related initiatives and investment on the continent. This rising trend is often positioned as the sine qua non (the indispensable condition) to alleviating poverty – a mutually reinforcing cycle. However, there remains some work to do in leveraging this trend's desired influence on economic upliftment.

As Malcolm Gladwell analyses in his book, *The Tipping Point*, success in creating influential trends across several sectors in society, including success in business, is driven by three (3) externally driven variables, one of which, is context or variations in environment. While the success stories of entrepreneurs typically attribute their achievements to perseverance, self-belief and other internally motivated influences; *The Tipping Point*, ably illustrates in its examination of all three drivers of influential trends, that external influencers are equally significant in creating success.

Stimulus Africa proposes that sustainable entrepreneurial ecosystems are the variations in context that could drive the entrepreneurship

Foreword

trend to its Tipping Point in Africa. In this documented and easy to follow and measured approach to enterprise development initiatives, Stimulus Africa, outlines a critical path towards creating this context.

However, this operational guide, also presents an invitation to all enterprise development stakeholders to re-think and re-position strategically their roles in enterprise development. For the entrepreneur, the guide identifies and provides the tools, skills, information and above all - inspiration - to embark on the adventure of creating enterprises to solve real problems in their community through indigenous innovation.

For the policy maker, the guide presents a window of insight into the mind and motivation of the entrepreneur which can inform the creation of enabling environments within the eco-system. Where development practitioners

are concerned, this guide will assist in designing impact-focused programming that can be a catalyst for facilitating sustainable enterprise growth. Finally, for the investor, the guide provides an insight into the promise that enterprise development holds for the future - if the necessary and significant investment is made in the present.

I am pleasantly surprised to find that a few words of encouragement and a challenge I presented a young entrepreneur six years ago has culminated in Stimulus Africa and the work presented here. I am encouraged by this work and its potential to be a catalyst to transform the continent should it be adopted and adapted from context to context with the primary goal of sustainable ecosystem and enterprise development anchored in skills development support and access to smart financing models for scalability.

Dr Michael Gondwe: *Dr. Michael Gondwe served as the President of The Eastern and Southern African Trade and Development Bank (now PTA Bank) until April 1, 2012. Dr. Gondwe has extensive experience in the region and is respected as a pre-eminent banker. He served as the Chairman of Bank of Zambia since October 2011. He served as the Chairman of Zep Re Pta Reinsurance Company from May 2009 to May 10, 2013 and served as its Director from 2000 to May 10, 2013. He serves as a Director of Gulf African Bank. He served as a Governor of Bank of Zambia from October 2011 to February 2015. He served as a Director of ARM Cement Limited (a/k/a Athi River Mining Ltd.). He served as a Director of The Eastern and Southern African Trade and Development Bank until April 1, 2012. Dr. Gondwe holds a Law Degrees from University of Zambia and the University of Virginia as well as a Masters in Business Administration. He is an alumnus of the Advanced Management Programme of the University of Oxford.*

Stimulus Africa co-founder, McCloud Mungofa gives a guided tour of the Choose Women: Buy Local members' market during the official launch of the Stimulus Innovation Centre officiated by His Worship Benjamin Munyenyeni accompanied by Mrs Munyenyeni.

Photography: Inonzi Memory for Stimulus Africa



Executive Summary

Economic development in Africa has evolved over the years with the development sector taking the lead through a variety of livelihoods projects – primarily agrarian.

These initiatives have often been in partnership with governments and from time to time the private sector. Recently, as the development world has shifted its focus towards sustainability in its overall agenda – evidenced by the move from millennium development goals to sustainable development goals – interventions targeting livelihoods have also seen a shift. The change in perspective has resulted in an emerging appreciation for and support channelled towards enterprise development as the most viable route to achieving long-term benefits in economic growth and poverty reduction.

Stimulus Africa, is an enterprise development and business consultancy firm established in Zimbabwe – 2011. The organisation’s overarching goal is to support private sector growth through strengthening entrepreneurs and investing in the establishment of strong enterprises and job creation.

As entrepreneurs constitute a rising key population on the continent, this program will potentially drive a broader development agenda in improving the standards of living for ordinary people and their communities in some of the least developed regions of the world. On an individual level, enterprise development creates secure livelihoods ultimately leading to poverty alleviation while at country level, it leads to long-term inclusive economic growth.

Emanating from its organisational mantra, it became imperative for Stimulus Africa to begin the process of formulating an operational guide for enterprise development based on the achievements that have been accomplished to date. As these experiences have been garnered from across the region, this document is nuanced with considerations that are common to frontier markets in Africa both at individual and community level.

Consequently, Stimulus, has categorised the challenges around Enterprise Development in frontier market economies into four (4) key areas, namely:

- **Ecosystem**
- **Capacity**
- **Information and**
- **Finance.**

The operational guide deals with these four areas accordingly.

Ecosystem:

The guide demonstrates how Stimulus supports ecosystems through a process of teaching entrepreneurs how to harness the knowledge economy within their environment and seek out relevant information that can support enterprise scalability. The program therefore supports its goal of sustainable enterprise development by directing entrepreneurs towards creating, an enterprise specific, knowledge based ecosystem, that is:

- i. Context Relevant and
- ii. Scalable.



At the same time the design of this aspect of the Stimulus program fosters a clear systematic process of problem analysis for the entrepreneur which leads them towards creating real or material value in their enterprise offerings in the market and their communities in the long-term. In a similar vein, Stimulus has also undertaken its own problem analysis within its context, identifying three key levels of enterprise that are represented in fragile economies, namely; Scalable Enterprise, Micro Enterprises and Resilient Communities.

Capacity:

The guide also outlines tools that have been



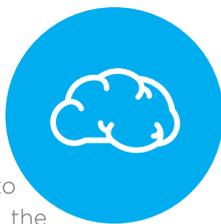
Executive Summary

adapted to the context of operations in the region. Notably, the People Action Profit (PAP), which is a practical tool that facilitates the equipping of the entrepreneur with critical business development skills, such as; analysis, strategy, forecasting, planning, process development, costing and pricing, marketing, selling as well as other skills, is included and discussed.

This guide also makes use of a Project Life Cycle Approach and references mainstream project management tools and techniques in its enterprise development implementation management process. Coupled with Stimulus tools, which have been evaluated in the context of enterprise development, these, have been critical in aiding the achievement of the program's stipulated objectives.

Information:

Taking into consideration future trends in technology, the guide also explores factors relating to access to information within the enterprise development space, namely;



Information systems, Big data, and Defragmenting the African market. These are presented as vital to the growth and success of entrepreneurs as their influence will be felt on various levels.

Finance:

Finally, the guide has a deliberate focus on addressing the financing challenge faced by enterprises in Africa. The guide presents a clear financing process determined by an enterprise's viability and scaling potential. Additionally, the guide presents Fambai Lending Scheme, which encourages saving and lending through peer network groups - especially for resilient communities and micro enterprises.



Lastly, the guide presents a case for primary investment towards scalable enterprises with guiding principles, that if implemented, deliver sustainable long-term dividends in relation to economic development and poverty alleviation.

Young people receiving coaching support as they develop their micro-enterprises at Stimulus Innovation Centre, Harare during the INgage Project focused on providing spaces for young people to learn entrepreneurship and express themselves freely.

Partner(s): Hivos Southern Africa

Photography: Inonzi Memory for Stimulus Africa



Trainer of trainers workshop under the Work Readiness and Job Preparation programme

Partner(s): World Education | Bantwana (United States of America)

Photography: Inonzi Memory for Stimulus Africa





1.0 Introduction

Over the years, Stimulus Africa, has provided support services to over 5000 aspiring entrepreneurs at various enterprise development stages. These have been categorised as scalable enterprise, micro- enterprise and resilient communities (livelihoods level). This has been achieved through either externally funded or self-funded programmes which have been internally designed, developed and implemented.

This experience, coupled with Stimulus Africa's robust network across the African continent's entrepreneurship ecosystem has enabled the organization to identify a gap in the approach to enterprise development on the continent. Stimulus Africa has therefore found it imperative to develop this operational guide in response to the identified gap, which highlights a need for a context specific enterprise development approach for frontier market economies.

1.1 Purpose

The main aim of the guide is to harmonise the various efforts across the entrepreneurial ecosystems of the continent into a consolidated blue print for sustainable enterprise development in fragile economies.

This operational guide is designed to be used as a resource to effectively design and implement enterprise development programmes that support sustainable growth, as well as to enable the individual entrepreneur to map a critical path for their individual enterprise. The approach for developing successful enterprises in this guide is anchored on the development of robust ecosystems that will enable collaborative support networks as well as being context relevant.

The guide will support successful and sustainable interventions and stimulate productive dialogue amongst public sector, private sector, the community of funders, enterprise development specialists and incubator & accelerator programme managers.

1.0 Introduction

1.2 Objective

Stimulus Africa, has set out to create ecosystems that influence the story of Entrepreneurship; its impacts and insights, in the current Zimbabwean context, and for entrepreneurs across the demographic spectrum. The guide will demonstrate how innovations could be leveraged in the continued efforts by government, development partners, private sector, and others, to achieve sustainable private sector development in fragile economies.

1.3 Use of the Guide

The guide explores the key elements of the enterprise development process and clearly details the pathway to successful implementation which should be followed in sequence.

1.4 Tools & Resources

This guide provides the overarching approach and principles, that if applied as recommended, in a fragile economy, will result in the successful implementation of an enterprise development strategy for the African context. Readers are encouraged to make informed use of best practice tools readily available on the internet and through academic research studies and other knowledge resources to complement this guide as required.

Testimonial 1

Start-Up Enterprise

NAME:	Yeukai Zinyoro-Chandiposha
BUSINESS NAME:	Little Arrows Dance Programme
YEARS IN OPERATION:	1
PRODUCT / SERVICE:	Dance program for children
PROGRAMME:	Creative Economy (CEM) Incubator (Stimulus PAP)

COMMENT:

"The Stimulus CEM Incubator programme has totally revolutionised the way I treat my business and myself. The value proposition has been one of the biggest lessons for me; that my product, without anything added to it, was actually valuable and that I needed to treat it as such. I've also learnt that there is hope for my business. Doing strategy, I found myself in the same position as Red Bull when they entered the market, and I've chosen to take the path that Red Bull took to create my own niche in educational dance and it has worked!"



1.0 Introduction

Testimonial 2

Established Enterprise

NAME: Kuda Makuzwa
BUSINESS NAME: Anaya Investments (Pvt) Ltd
YEARS IN OPERATION: 4
PRODUCT / SERVICE: Honey
PROGRAMME: Women Empowered (Agribusiness) Programme [WEP-Agri] | Choose Women Buy Local (CWBL) Initiative Member.



COMMENT:

"The Stimulus WEP-Agri and CWBL initiative have assisted Anaya to model its business into a sustainable and scalable operation in addition to creating profitable, value adding markets. The trip to Nairobi, Kenya for the training on transformative thinking for women in Agribusiness under WEP-Agri, was a turning point for Anaya's business. Not only were vital networks created but the focus and approach to the business growth changed. It broadened the scope of the business, zeroed in on the concept of cooperative work, challenged leadership styles and inspired continuous organisational learning. The field trips were an eye opener and showed me the possibilities for African agribusiness."

Kuda Makuzwa founder of Anaya Investments Pvt Ltd [left] pictured with her assistant at a Choose Women: Buy Local Market selling her primary product, Anaya Honey.

Photography: Inonzi Memory for Stimulus Africa





2.0 Context

2.1 Background

Africa's economies are consistently growing faster than those of almost any other region in the world. However, this growth is happening against a backdrop of increasing export dependence since most of the growing African countries such as Ghana, Libya and Botswana are commodity based. The growth being experienced on the continent is not reducing poverty in the way it would be expected to, and the unemployment rates across Africa remain high, especially in Sub-Saharan Africa. For most countries, the informal sector represents more than seventy percent (70%) of the economy.

Policy and regulatory reforms have failed to create a favourable juncture of circumstances that support the creation of sufficient productive opportunities. This unfavourable business situation is further demonstrated by how Zimbabwe, in comparison to other African countries, is ranked in terms of the global ease of doing business rating by the World Bank (*Table 1*).

Table 1: World Bank *Ease of Doing Business* Ranking (Select African Countries Comparative Analysis)

Country	2015	2016	2017
Ghana	70	114	108
Zambia	111	97	98
Botswana	71	72	74
Ethiopia	159	146	132
Tanzania	131	139	132
Rwanda	46	62	56
South-Sudan	186	187	186
Zimbabwe	171	155	183

2.0 Context

2.2 Enterprise Development

Enterprise development on an individual level helps people to secure livelihoods which ultimately leads them out of poverty; whilst on a country level, it leads to long-term economic growth resulting in poverty alleviation. It is essentially a process of enabling and fostering entrepreneurial behaviour within different societies at an individual and community level. According to Miemiec enterprise development can be defined as,

“...the act of investing time and capital in helping people establish, expand or improve businesses.”

Inherent in the process is an attempt to utilise entrepreneurial behaviour, more specifically, to be innovative and have the ability to recognise an opportunity and adequately develop it to generate sustainable income through profit. Ultimately, the result of this is the creation of employment and growth of the consumer base through poverty alleviation.

2.3 Ecosystem Development

Ecosystem development is the cornerstone of enterprise development in fragile economies. Ecosystems provide a safe space for the enterprise to grow, provide entrepreneurial learning, mentorship, networks, knowledge economy and advocacy. Within the ecosystem the enterprises trade, share critical information, save and lend to each other for business growth, create market links and provide positive peer influence in relation to best practice. Without the ecosystem supporting the fledgling enterprise, it is unlikely to survive, particularly, in an economically fragile environment.

2.4 Why is a Context Specific Enterprise Development Strategy Important for Africa?

The rationale behind the development of this guide stems from an understanding of the nature and stage of development or underdevelopment of Africa's most fragile economies and the private sectors that drive

What Is An Enterprise Ecosystem?

An enterprise ecosystem is a specific grouping of entrepreneurs with similar basic understanding of enterprise development who provide each other a support network, peer collaboration, knowledge sharing and market access. These groupings can be sector specific or geographical in nature.

Deng Xioping

The emergence, development and high impact of Chinese micro, small and medium scale enterprises is as a direct result of the work of Premier, Deng Xioping.

His pronouncement that China must create an internal market economy with socialist characteristics and his creation of an enabling environment to achieve it is a good example of establishing 'contextual' relevance outside of western models and approaches to business when driving enterprise development in a fragile economy.

Under Deng, manufacturing industries were liberated and self-driven, capable of ascertaining economic realities such as demand and the prices they should set for their goods. The Chinese example points expressly to the need for enterprise development to be contextualised and evolved through ecosystem development to achieve the necessary growth required to lift a nation and the continent out of abject poverty.



them. Many of the underdeveloped economies on the continent are characterised by a plethora of micro, small and medium sized enterprises and large rural communities that are living in abject poverty carrying out subsistence farming as a means of survival. It is widely appreciated that enterprise development is the key to Africa rising out of poverty (in a sustainable way). Economic growth driven in this manner will inevitably result in consistent and continued access to; basic services, improved sustainable livelihoods, and job creation. This has been demonstrated well in the development of China's Economy.

2.0 Context

2.5 Political Economy and Power Dynamics

The development of conducive policies is a critical factor to enterprise development and conducting successful interventions in general. Encouraging entrepreneur and enterprise development may effectively contribute to achieving job creation only when paralleled by adequate policies addressing the constraints of the labour market.

As efforts to develop enterprises are made across the continent, the enterprise development process should consider how the enterprise interacts with the surrounding regulatory environment as demonstrated in this guide.

Historical experiences in Africa have highlighted that no intervention can be successful unless backed by purposive action by government through conducive policies driven by regulatory reform and investment. This fact is strongly supported by experiences from countries like Zimbabwe, whose primary challenge in private sector growth is a hostile economy and inconsistent policy environment.

Kenya, on the other hand, presents a contrasting scenario, where the Kenyan government acknowledged the contribution of SME's to the economy and therefore crafted policies that include contributions from their SME sector. The government's commitment and political will to create a conducive operating environment for

enterprise development ultimately determines the ease of doing business. This in turn affects ecosystem development to insulate fledgling entrepreneurs as they strive to grow viable businesses and this must not be overlooked or minimised during programme design for enterprise development interventions.

2.6 Climate Change and Other Environmental Factors

Despite being the region that contributes the least to climate change, Africa, is likely to be the continent most vulnerable to its effects because of the high dependency of African livelihoods on natural resources and the environment around them.

An estimated 70 percent (70%) of Sub-Saharan Africans rely on subsistence rain-fed agriculture and farming is the primary source of food and income providing up to sixty percent (60%) of all jobs on the continent.

A vibrant, sustainable and resilient agriculture sector is therefore vital for Sub-Saharan Africa's economic future. A focus on climate-smart agriculture and supporting the vision for accelerated agricultural transformation of the Malabo Declaration, as a measure of combating the adverse effects of climate change will be key. This is critical due to the number of jobs on the continent that are tied to this particular sector at all the multi-levels of the various value chains.

Choose Women: Buy Local launch event market showcasing products made locally in support of women owned businesses and economic empowerment of women. The event was held at the Embassy of Sweden in Harare.

Partner(s): Embassy of Sweden in Harare

Photography: Inonzi Memory for Stimulus Africa



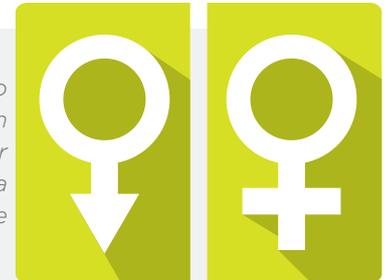
2.0 Context

Gender Dynamics And The Drive Towards Equity

Africa has hidden growth reserves in its people; especially its women, who provide the largest labour force on the continent. Yet they are faced with significantly unequal access to education, financial inclusivity and other disparities in the labour market. Women are frequently crowded into a narrow range of occupations and sectors, where they are over-represented in lower-paid and often disempowered positions.

With limited access to resources hindering their progression and ability to positively contribute to enterprise development, women have to work twice as hard as men to achieve a similar level of success. As more women, in comparison to men, are economically engaged in the informal sector, especially in the agricultural sector, there is a need to realise the untapped potential they represent to drive economic growth, creating platforms for women that provide them with an advantage is also essential if we are to 'level the playing field'. Examples of such platforms include the International Women's Entrepreneurship Day event held annually in November, and Choose Women: Buy Local initiative developed by Stimulus Africa to promote and expose women owned businesses to new markets.

The slow progress towards the achievement of gender equality and equity continues to severely undermine this untapped potential for economic growth in Africa. The challenges women face in entering, accessing and competing in the open market represent opportunities for targeted and well-designed programming anchored on ecosystem development. A good example is the UN Women and SNV collaborative project on Making Markets Work for Women (M4W) in Murewa, Zimbabwe under the JPGE - Zimbabwe project.



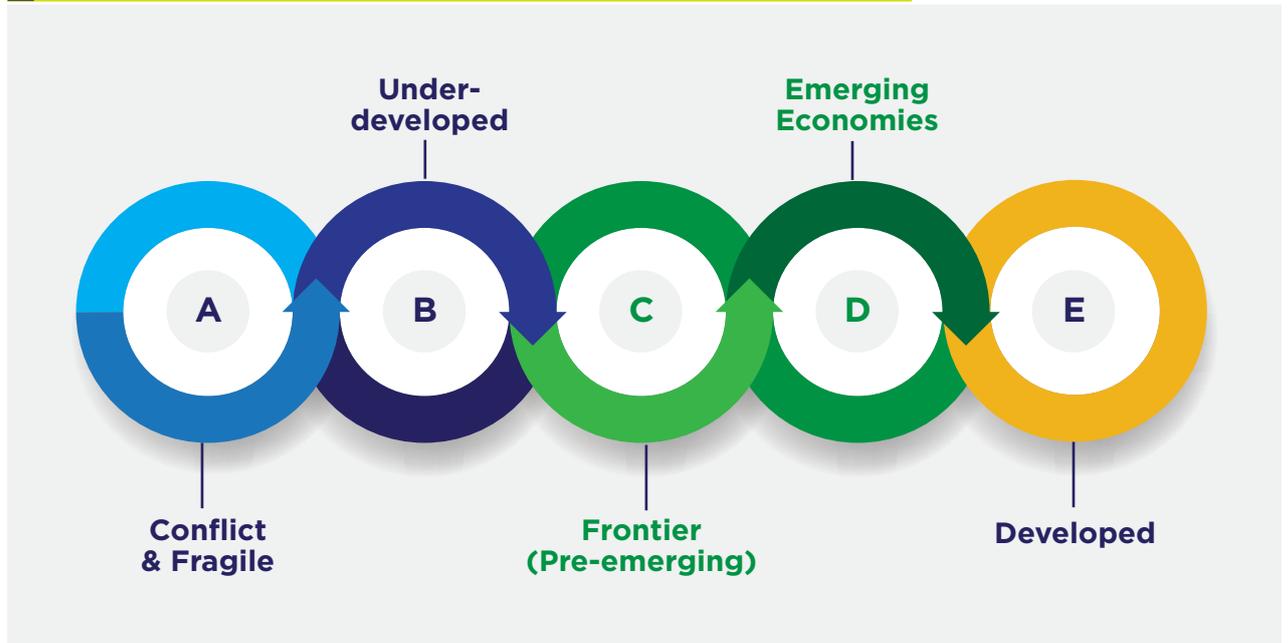
Out of school adolescent girls and young women from Mbire District participating during a basic entrepreneurship training programme for people with low literacy levels [Resilient communities].

Partner(s): Catholic Relief Services [CRS] (United States of America)

Photography: Inonzi Memory for Stimulus Africa

2.0 Context

Figure 1: Developmental Process of Economies



2.7 Economies Classification

All countries can be classified into one of two broad categories: developed economies and developing economies. This guide is focused on developing markets specifically frontier and emerging markets as these have the most potential to sustain established ecosystems.

Frontier market economies are characterised as an economy at the early stages of development which is experiencing rapid growth and a drive towards industrialisation, but they have less developed market structures and weak institutional systems and policies hindering economic growth.

Emerging economies are characterised as economies that are developing with good signs

Frontier Market Economies

Frontier market economies are characterised as an economy at the early stages of development which is experiencing rapid growth and a drive towards industrialisation, but they have less developed market structures and weak institutional systems and policies hindering economic growth.

of growth, some at the early stages and others at advanced stages of transitioning from developing to developed economies. These markets have strengthened market structures, building up accountability in its institutional systems, stable policy environment and opening up to the global market.

2.0 Context

Table 2: Developmental Process of Economies

Economy	Definition	Example
Conflict	A conflict economy is one which is war prone and characterised by factions such that allocation of resources is done by violent means.	Democratic Republic of Congo
Underdeveloped	Low income economies characterized by low level of socio-economic development, weak human and institutional capacity, and underutilization of productive resources.	Burundi
Frontier	An economy at an early stage of development where it is experiencing rapid growth and industrialisation, but has less developed markets and weak institutional systems.	Rwanda
Emerging	A developing economy which is transitioning to a developed economy, building up accountability in its market and institutional systems and opening up to the global market.	South Africa
Developed	An economy with a relatively high level of economic growth evidenced by a high income per capita, advanced technological infrastructure and a high level of socio-economic development.	Sweden

Farai Mupfunya, Director of Culture Fund Zimbabwe speaking at the Women in Entrepreneurship Dialogue [WED] event on the challenges faced when accessing markets by women entrepreneurs. The event was hosted by Stimulus Africa in partnership with the Embassy of Sweden in Harare at the embassy.

Partner(s): Embassy of Sweden in Harare

Photography: Inonzi Memory for Stimulus Africa





3.0 Problem Analysis

3.1 Problem Identification Process

Making use of the Problem Tree Analysis to understand context, Stimulus Africa has categorised the challenges around Enterprise Development in fragile economies into **four (4) key areas**:



1. Ecosystem

There is a need to create an enabling environment for businesses to grow. This includes regulation, sector maturity, accessible finance, developing value chains, and creating a sustainable knowledge economy.



2. Capacity

Whilst most enterprises have technical ability to deliver on their mandate, most lack business development skills to stimulate growth in their enterprises, and this is where a number of enterprises fall short and eventually fail.



3. Information

Fragile economies have a lot of big data collected, but information is not used to enable the growth of enterprises; there is a fragmented approach to which the government and partners generate information and there is a lack of repository for enterprises to access information necessary for business development.



4. Finance

Fragile economies, are characterised by poorly capitalised and inexperienced enterprises with high risk profiles and limited access to traditional financing. In turn, traditional financiers such as banks are risk averse and often represent the only investment finance available to enterprises. Furthermore, the funding offered from traditional financiers requires high levels of collateral and often comes at a premium driven up by the fragility of the operating environment.

3.0 Problem Analysis

Problem Analysis Extract:

Problem Analysis at Stimulus: An extract from a concept note submitted to OSISA

The high levels of unemployment among youth in Zimbabwe which is a direct result of the harsh economic climate we are currently facing including company closures, has created the need for entrepreneurs not just to start, but to have successful businesses that are able to create employment.

Secondly, there is a lack of information readily available for young people to access that guides them on how to set up and operate either as a sole trader, a community based organisation, a social enterprise or a private limited company. Unavailability of information creates room in the system for miscommunication, time wasting, bribery and corruption.

Stimulus Africa Foundation's target beneficiary groups are marginalized due to their sex, age or economic background. Within the private sector the opportunities for people in our target group (primarily women and youth) are few and far between and therefore, for many of our beneficiaries operating in the informal sector creates challenges for them when they consider survival let alone growth.

They also often struggle to raise small amounts of capital to invest in equipment and opportunities that will lead to business growth.

3.2 Problem Analysis

Sustainable enterprise development, is made possible through designing a program that is:

1. Context relevant and
2. Scalable.

It is the desire to achieve this that entails the need for a clear systematic process of problem analysis. There are several tools available for this exercise, however in this guide, the

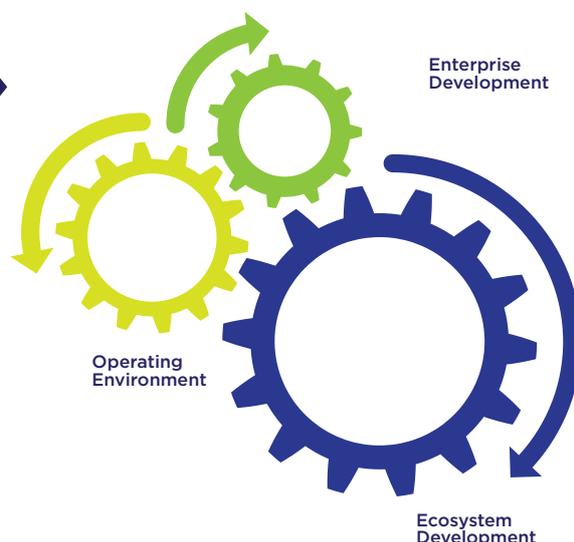
recommendation is to use a simple participatory method known as the problem tree analysis or root cause analysis.

Stimulus Africa has used this process to analyse the problems related to a sudden growth in the interest/growth of enterprise development activities and has also gone ahead to suggest some of the key products available in the Stimulus repository to address the existing problems.

Application

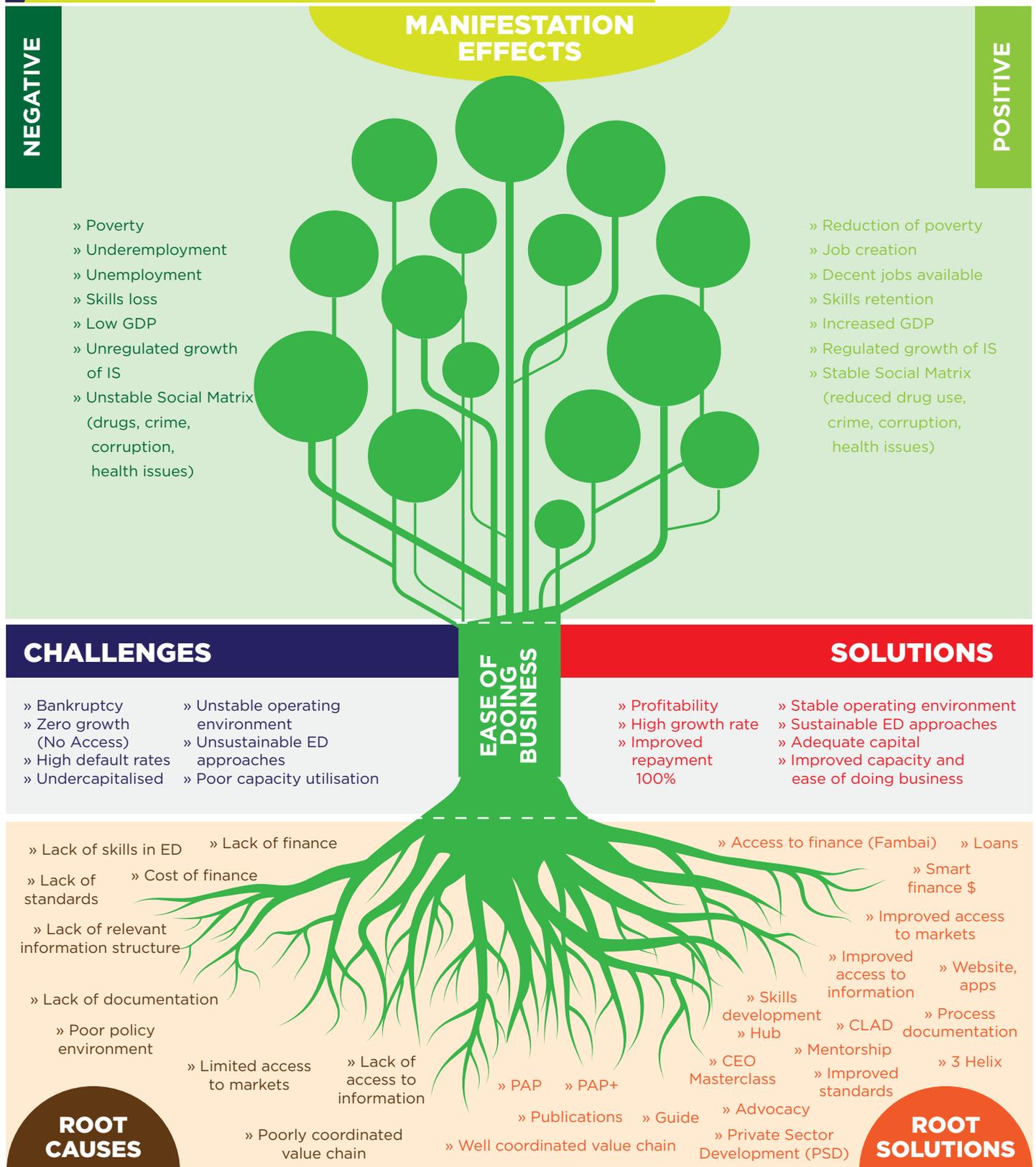
Ecosystem development is the foundation for enterprise development and this is enabled by the operating environment.

Figure 2: Ecosystem Development



3.0 Problem Analysis

Figure 3: Developmental Process of Economies



Choose Women: Buy Local market event demonstration of how recycled paper products are made by women from Mapepa under the Choose Women: Buy Local Initiative

Photography: Inonzi Memory for Stimulus Africa





4.0 Theory Of Change

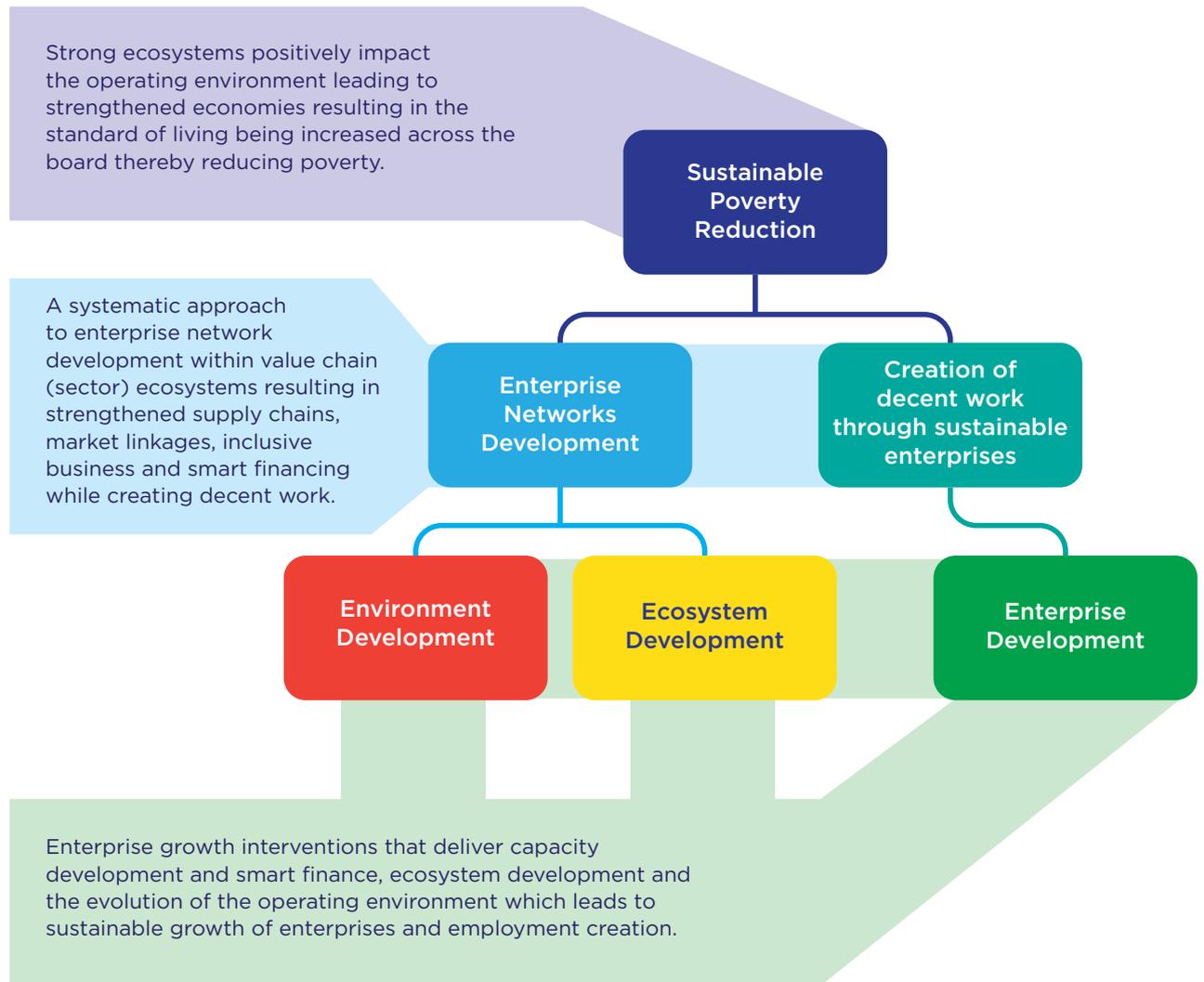
4.1 Theory Of Change (TOC)

Whilst poverty in Africa appears to be declining, the reality is that the number of people living in abject poverty has grown substantially since 1990, according to a World Bank Africa poverty report. Against a backdrop of millions of dollars being spent on the continent annually by the United Nations agencies, humanitarian and donor agencies as well as philanthropic foundations to alleviate poverty and the resulting effects it brings, including; poor health provision, no access to safe water and sanitation services, poor education and public service delivery and more. With this as the prevailing situation on the continent it is apparent that whilst livelihoods interventions have had some success, ultimately, they are not achieving their overarching goal to eradicate poverty. The focus so far has been on the numbers; how many people were directly and indirectly engaged by an intervention, instead of a sustainability measure that looks at the number of people who became economically empowered and self-sustaining because of the intervention.

Stimulus Africa believes that by intervening through the creation of enterprise development focused ecosystems (at the scalable enterprise, micro enterprise and resilient community levels), coupled with the development of an enabling environment and subsequently developing the entrepreneur or the enterprise- there is an ability to achieve sustainable impact and improved livelihoods, through enabling access to decent jobs and creation of high impact enterprises that are integrated with the existing large scale corporate sector. The effective implementation of a clear and guided strategy to enterprise development, can function as a catalyst to sustainable localised micro economies, that when linked through an ecosystem have a subsequent contribution to the macro economy and ultimately stimulate inclusive growth.

4.0 Theory of Change (TOC)

Figure 4: Stimulus Africa Theory of Change



Application

Stimulus Africa believes that by intervening through the creation of enterprise development focused ecosystems, coupled with the development of an enabling environment, subsequently developing the entrepreneur or the enterprise - there is an ability to achieve sustainable impact and improved livelihoods. The effective implementation of a clear and guided strategy to enterprise development, can function as a catalyst to sustainable localised micro economies.

Stimulus Africa Entrepreneurship Symposium Presents

AFRICAN TECH SOLUTIONS FOR AFRICA'S PROBLEMS

ICT4D 2016
ICT FOR DEVELOPMENT

STIMULUS AFRICA
ENTREPRENEURSHIP
SYMPOSIUM



Out of school adolescent girls and young women in Mbire District being trained under the Fambai Savings & Lending scheme acceleration programme (PAP PLUS+) under the No to Child Marriage-Education First Project .

Partner (s): Catholic Relief Services [CRS] (United States of America)

Photography: Inonzi Memory for Stimulus Africa

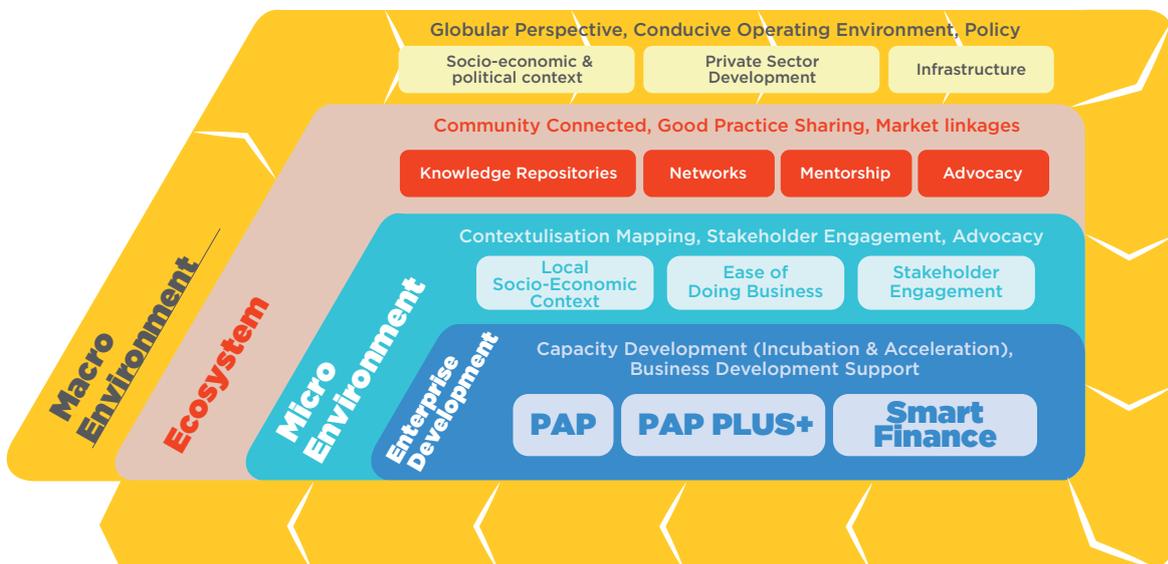




5.0 Intervention Planning

Economic development in Africa has evolved over the years with the development sector taking the lead through a variety of livelihoods projects often in partnership with governments and sometimes with the private sector, primarily in the agricultural sector. The development sector has shifted its focus from pure livelihoods interventions to enterprise development which has steadily been pointing towards private sector development as the most sustainable avenue to achieve poverty reduction and economic growth. This section presents a model for the delivery of sustainable enterprise development programmes for anyone seeking to drive economic growth, create decent jobs and achieve poverty reduction in fragile economies.

Figure 5: Stimulus Africa - Enterprise Development Model



5.0 Intervention Planning

5.1 Sustainable Intervention Model

The model depicted in the diagram on the below guides the enterprise development practitioner to look at the key factors impacting the enterprise development process and formulate a strategy to overcome challenges as well as maximise the opportunities presented. The overview of the strategy is illustrated in the diagram.

INVESTMENT:

The goal is to improve enterprise development interventions needed for sustainable development through skills investment, financial investment and political will to implement regulatory reform impacting ease of doing business.

INTERVENTION:

(1) Environment: Addressing environmental conditions (policy, financing, market development & access, competition).

(2) Ecosystem: Creating an enabling environment for enterprises to grow with access to networks, knowledge repositories, mentorship and advocacy.

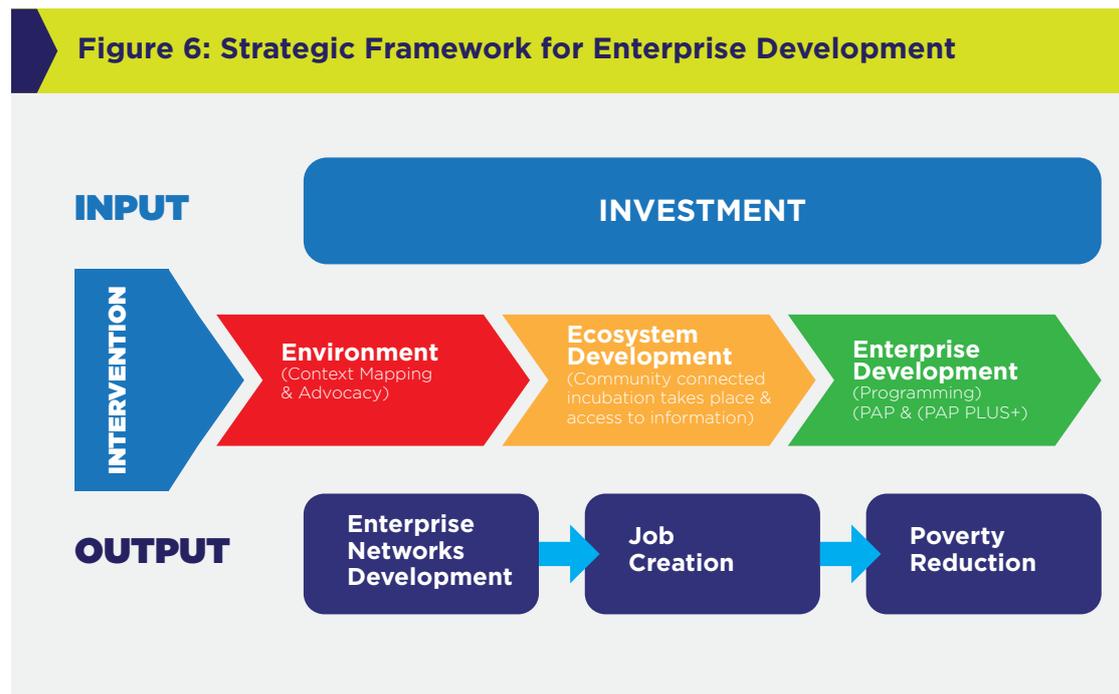
(3) Enterprise: Addressing the needs of the individual entrepreneur/enterprise level (PAP incubation and PAP PLUS+ acceleration).

RESULT AREAS:

(1) Enterprise Networks Development resulting in establishing or strengthening value chains, supply chains access to markets and sustainability.

(2) Job Creation resulting from strengthened private sector systems (markets and value chains) leading to the growth of individual enterprises.

(3) Poverty reduction through sustainable livelihoods and job creation being the ultimate goal in programming.



5.0 Intervention Planning

5.2 Key Approaches

In order for the Stimulus Enterprise Development Model to be implemented successfully it is important for the implementers to identify the drivers and or investors of the enterprise development process. Enterprise development can be led from four (4) key vantage points namely:

- government led
- donor led
- private sector led or
- tripartite led (see table 5 on the previous page for explanation)

There is a need for an appreciation of the political power dynamics that affect the economy on a macro (country level) and micro (sector level) levels.

There is also a need to understand the formal and informal sector and how political power dynamics drive the economy towards or away from formalisation. These drivers will have a huge impact on how enterprise development can be implemented in any context therefore it is critical to carry out this analysis before attempting any interventions.

Table 3: Four Drivers or Investors of Enterprise Development

Intervention Lead	Approach	Example
Government led	Under this approach, the government leads the enterprise development in their country and decides on the mode of operation for the strategy.	<p>Botswana Kutla Incubation Center Established by the Local enterprise authority, Kutla is an incubator program that is designed to teach technical and business skills to people outside of the school system. After the training, thirty percent (30%) of the trainees are expected to setup their own businesses with the rest being ready for paid work. After completion, the Incubation Project will facilitate SMME development in the country in terms of marketing, credit acquisition, technology and information as it serves as a proof of concept project.</p> <p>http://www.lea.co.bw/kutla-incubation-centre</p>
Donor led	Under this approach, the enterprise development strategy is led by donors who will be providing funding for the implementation. The donor also conducts the planning, and determination of outcomes and mode of operations under the proposed enterprise development strategy.	<p>Catholic Relief Services (CRS) CRS invested in a resilient communities intervention to address early child marriage, in part, through enterprise development by contracting Stimulus Africa to train 500 out of school adolescent girls and young women basic entrepreneurship skills using the WEP4Girls basic entrepreneurship course based on the PAP business modelling tool. Of the 500 girls, fifty (50) were selected to participate in the PAP PLUS+ programme and have access to the Fambai Lending Scheme.</p>
Private Sector led	Under this approach, the private sector leads the enterprise development strategy for a country. It thereby determines how the program design, outcomes and mode of operation aligns with its own objectives.	<p>SAB Miller SAB Miller procurement creates demand for the goods and services that other enterprises offer, often in relatively large volumes – presenting significant opportunities for growth for those who can develop the capacity to supply at the levels of quantity and quality required. Through inclusive business models SAB Miller has developed capacity in smaller enterprises as distributors, suppliers and service providers. Their model has a strong emphasis on developing farmers. In Uganda, for example, SAB Miller’s sorghum procurement programme has helped 9,000 farmers improve their quality and productivity and begin to sell to the company, increasing their incomes by a factor of seven. SAB Miller recognises that while its own capabilities and scale matter, small and growing enterprises will only thrive in large numbers in the long run if they are embedded in strong and supportive “business ecosystems” that include, but go beyond, the company itself.</p>

5.0 Intervention Planning

Table 3: Four Drivers or Investors of Enterprise Development

Intervention Lead	Approach	Example
Tripartite lead	Under this approach, the government, donor, and private sector lead the enterprise development strategy in their country. Design of the strategy, implementation, and expected outcomes are arrived at after the three parties involved have reached a consensus that represents their unique perspectives. This is usually the best approach as there is representation of interests of multiple stakeholders.	Tanzania Tanzania offers a good case study for a tripartite led approach in one of its project called the "Novella Project" [1] The project is a; Public-private sector partnership between SNV a developmental organisation, Unilever a private company, and the Tanzania Forest Conservation Group under the Ministry of Natural Resources of Tanzania, and a local marketing group, FAIDA Market Linkages (FAIDA MaLi), established in 2003. The partnership was formed from Unilever's need to source Allanblackia nuts needed to make margarine. SNV agreed to be part of this partnership, providing capacity building training around contract farming. FAIDA market linkages develops market linkages and mobilising of farmer's groups to be trained in business skills. These farmers then become part of the value chain involved in producing oil from the nuts. In 2005, 3000 farmers were involved, and were earning an aggregate income of 60 million Tanzanian Shillings. By 2006, 7050 local jobs had been created via this project. Participation of rural women in the economy increased through this project, as women were given an opportunity to earn money in their own right.

5.3 Contextualisation Mapping

The Stimulus enterprise development approach has been specifically designed to have a broad application. In this way any community of people in an emerging market can be successfully supported in an intervention where

the process has been utilised. This is achieved by tailoring the process to include relevance and applicability to the local context. To achieve this, a contextualisation mapping process must be followed and below is a table highlighting the initial steps in mapping out the critical path to delivering a successful intervention.

Table 4: Context Mapping

What	Having a clear understanding of the social-economic and political context of the area you intend to carry out the intervention in is important. The starting point in program design is a study of the local dynamics in the given area. This is particularly critical when operating in highly volatile environments, for example, implementing at rural community level or in crisis zones.
Why	The most successful program design for enterprise development is an ecosystem focused on fully supporting the ultimate beneficiary. It is therefore critical to understand the community and environment around the beneficiary that you are designing the intervention for so as to ensure the intervention will be relevant and effective.
When	Pre-programme Design - Contextual mapping is most effective if carried out BEFORE any programme design activities as the outcomes of the mapping should inform program design.

5.0 Intervention

Table 4: Context Mapping

How

Step 1 - Desk Research:

Having a clear understanding of the environment you aim to deliver an intervention in is critical to its success.

i. Rationale behind the intervention - The programme sponsor (investor) usually determines the parameters within which an intervention will be delivered including the geographical location, demographic of primary beneficiaries and desired outcomes. This is determined by the sponsors organisational Impact Goals in the area in which you operate and it is critical to understand this to align your intervention with their overall goals.

ii. Environmental considerations - Gather information about the geographical location you will be implementing your programme in using secondary research. The information you should consider gathering includes but is not limited to; Socio-economic and political dynamics in the area, cultural and religious practices and general climate and logistics considerations. Where the information is available, gaining an understanding of the social structures and the key stakeholders is also important.

iii. Network Mapping - You may also consider reaching out to organisations who are working or have worked in the target area, to gain insight into key stakeholders and power brokers in the area, the communities living in the area, and the opportunities available to them. The government is another vital source of information that you can tap into in developing your initial context map.

Step 2 - Field Study:

This involves physically visiting the target area to establish what is taking place on the ground ensuring that the following is done:

a. Problem Identification - The field study will assist in diagnosing the real problems on the ground from the perspective of the ultimate beneficiary and testing the assumptions that would have been made during desktop research.

b. Stakeholder Mapping - This involves identifying the key stakeholders associated with the project. This will involve identification of the influential people in the target area who could be relevant to the intervention, and assessing the best way to incorporate them into your programme. From this, a communication plan that guides interaction with these stakeholders can then be designed and implemented at project initiation stage.

c. Opportunities mapping - This step involves identifying enterprise opportunities available in the area and those specifically available to the target beneficiary. This will inform how the enterprise development program and process can be adapted to accommodate existing opportunities which can be exploited to make implementation of the program relatively easier.

Step 3 - Drawing up a tailor-made program:

At this stage you draw together all the findings from step 1 and 2 and then incorporate them in designing the implementation program - in a way that puts into cognisance the context at hand. On-boarding of stakeholders can then be done based on findings of the field study.

5.0 Intervention

5.4 Multi-Level Stakeholder Engagement Strategy

Over the years Stimulus has realized the value of effective stakeholder engagement. The on-boarding of all key stakeholders is a critical component to successful implementation. (See Section 7).

Case Study - Stakeholder Engagement Beneficiary Engagement: INGage Project (Zimbabwe)



Partner(s): Hivos Southern Africa, RAU Zimbabwe & Institute of Development Studies (IDS) [UK]

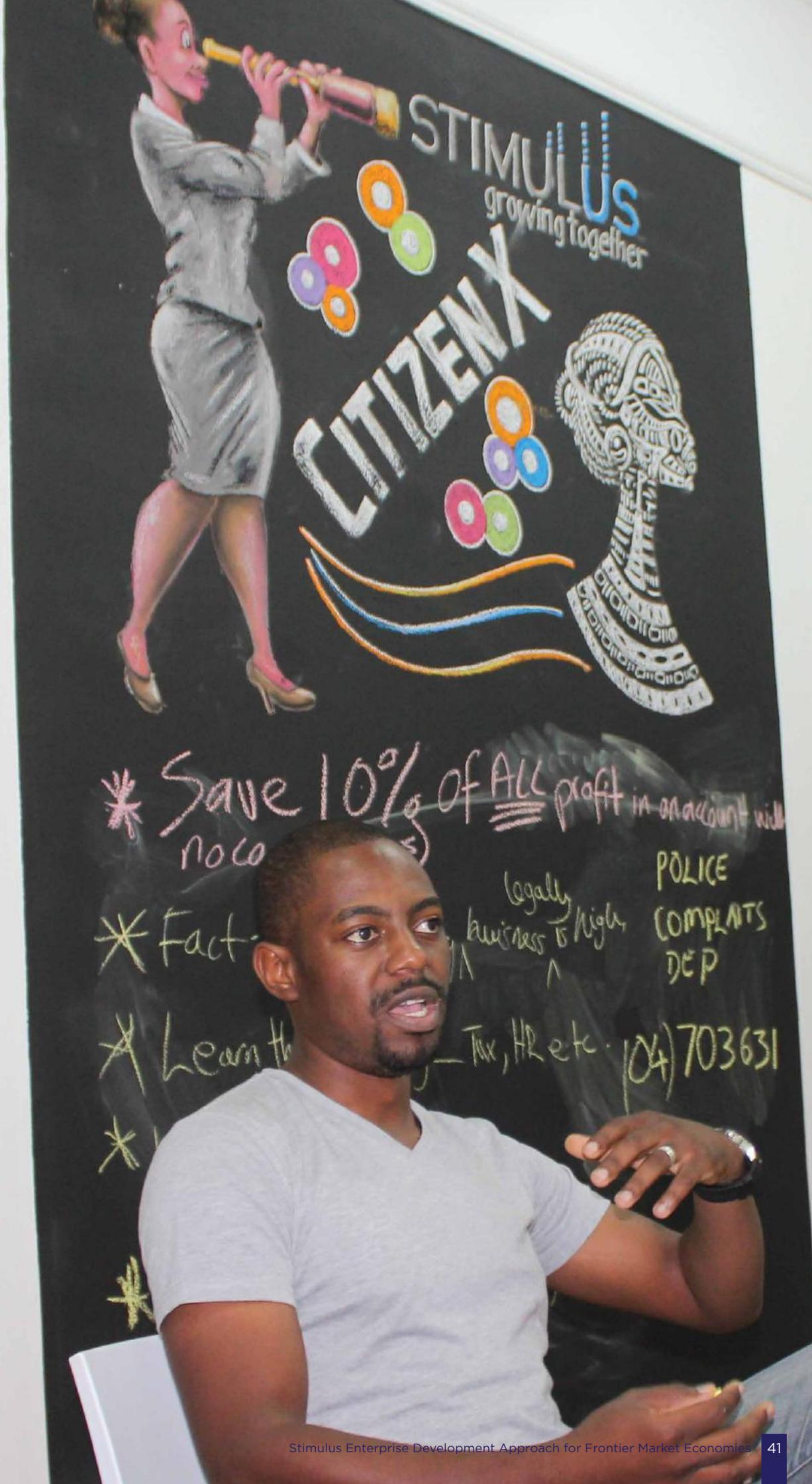
Photography: Inonzi Memory for Stimulus Africa

Interventions that produce the best results have a specific focus on engaging the beneficiaries of the programme it seeks to implement. Stimulus Africa advocates for pre-implementation stakeholder engagement at all levels and specifically at

beneficiary level when it comes to programme design. Once Stakeholders are engaged there must be continuous engagement throughout the intervention and during close out of the project to ensure sustainability.

McCloud Mungofa, co-founder of Stimulus Africa facilitating a Waffle Wednesday dialogue event (an ecosystem development networking tool), at Stimulus Innovation Centre, Harare, Zimbabwe.

Photography: Inonzi Memory for Stimulus Africa



Trainee trainers facilitating Work Readiness and Job Preparation training in Bulawayo, Zimbabwe whilst being monitored by the Stimulus Africa training team that delivered their Trainer of Trainers (TOT) training.

Partner(s): World Education | Bantwana (United States of America), Transformation Africa (Zimbabwe)

Photography: Inonzi Memory for Stimulus Africa



6.0 Programme Design

Introduction

When striving to realise sustainable economic growth, there is a definite requirement to develop the irreducible units of the economy, which is the firm and the household. In the first instance, it is direct investment into capacitating productivity in households either through strategic investment into income generating activities (livelihoods), skills enhancement (micro enterprise) or accelerate the development of enterprises (scalable enterprise). In the second instance it is investment into the prevailing context through ecosystem development. In both instances there is a focus on strategic investment into sustainable growth. Whichever end of the scale it is, either resilience or scalable enterprise level, there are always internal drivers pushing a household to improve living standards and external factors pulling households to develop sustainable incomes that lead to an emergent enterprise development thrust.

Definition of an enterprise ecosystem

Ecosystem for the purposes of enterprise development as described in this guide is a multifaceted network or interconnected system that is designed to create a supportive environment for the growth of the enterprise.



6.0 Programme Design

Sustainable economic development takes place when a country's economy moves progressively from a fragmented informal state to an organised formal private sector.

Growth of the enterprises requires key capacity support and access to smart finance at a critical point in the growth cycle of an enterprise. Enterprise development interventions are most successful when the targeted entrepreneurs become a part of a thriving enterprise ecosystem.

There are therefore three clear elements involved in delivering sustainable interventions namely;

- **Enterprise Ecosystem Development**
- **Enterprise Capacity Development**
- **Enterprise Financing Modelling**

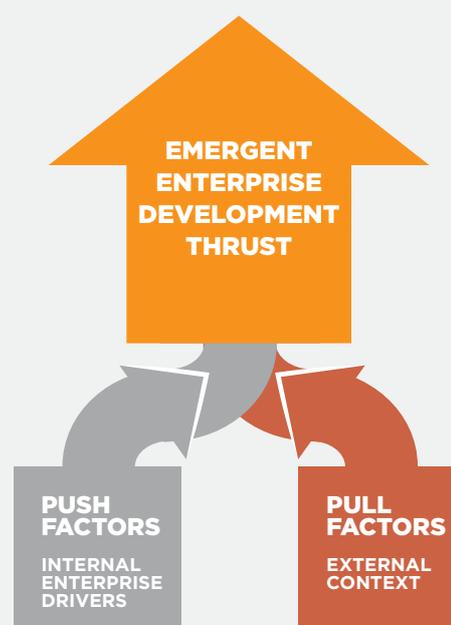
In this chapter we will take a closer look at the three components and highlight opportunities to improve the way they are designed and implemented to achieve the maximum impact for the investment put in by the programme or project sponsor.

6.1 Enterprise Ecosystem Development

The fundamental elements required in an established ecosystem include:

- **Mentorship** (peer collaboration, group and role model mentorship);
- **Knowledge Repositories** (repository development for critical information);
- **Networks Development** (value chain development and market linkages);
- **Advocacy** (championing the ease of doing business through regulatory reform); and
- **A Common Understanding of** the fundamental principles of entrepreneurship and business development to ensure that those in the ecosystem have the same foundational knowledge.

Figure 7: Drivers of Productivity



THE POWER OF NETWORKS

The Silicon Illusion by Musekiwa Samuriwo and Tinashe Mukogo

"Whilst funding is important and indeed necessary for a start-up to be successful, another key ingredient plays a critical role in attaining success. There is a strong argument for the value of Silicon's networks. Silicon Valley leads the world when it comes to accessing capital for the express reason that it has very strong social networks uniquely tailored to help conceive and grow start-up enterprises. The social networks in Silicon Valley are both wide, deep and concentrated."

The lesson we learn from Silicon Valley is the need for connectedness within an enterprise ecosystem and that connectedness being a currency which can unlock value for you as you build your enterprise.

6.0 Programme Design

Figure 8: Enterprise Ecosystem Design

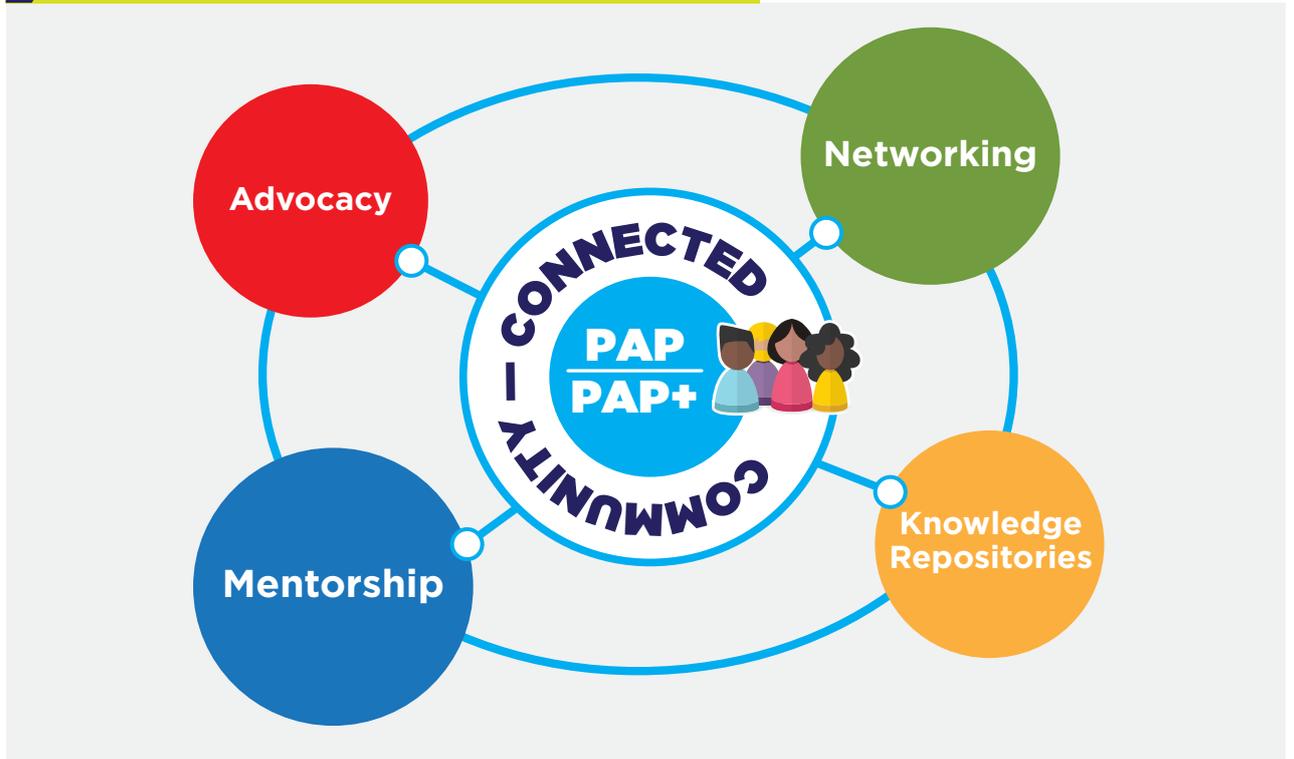


Figure 9: Types of Enterprise Ecosystems



6.0 Programme Design

6.1.1 Enterprise Ecosystem Typology

There are four broad categories of enterprise ecosystems that can be developed namely:

- (1) Sector Specific Ecosystems
- (2) Geographical Ecosystems
- (3) Virtual Ecosystems and
- (4) Growth Hubs.

(1) Sector (Value Chain) Specific Ecosystems
These focus on developing enterprises within a specific industry or sector with the underlying objective of strengthening the value chains represented by the sector.

(2) Geographical Ecosystems
These focus on a specific location determined by borders such as district, province, city, national or regional borders.

(3) Virtual Ecosystems
These focus on technology based engagement determined by an initial common foundational training or other enterprise capacity development engagement cross borders.

(4) Enterprise Growth Hubs Ecosystems
These focus on creating purpose built, innovation centres, and hub spaces where intensive incubation can take place.

Geographical Ecosystem Example:

50 adolescent girls and young women in Mbire District, Zimbabwe who are Stimulus PAP and PAP PLUS+ trained and running a variety of resilience enterprises.



Article Extract:

THE RELEVANCE OF INNOVATION HUBS IN AFRICA

Extract from an article by Rudo Nyangulu-Mungofa

“Innovation hubs, play a particularly strategic role in capacitating the youth and creating conducive environments for their enterprises to thrive. These ecosystems provide the nurturing environment necessary for the growth of enterprises.

The case for investing in innovation hubs and spaces and increasing their number and frequency of their incubation programs that support start-up, micros and small ventures is evident. Furthermore, their potential to assist in employment creation is significant and cannot be ignored.

Where the rate of unemployment is high in most countries on the continent, Canning, Raja, and Yazbeck (2015), highlight that a demographic dividend in Sub-Saharan Africa has immense potential to catapult Africa’s development through entrepreneurship as it has come at a time where economic development on the continent has not yet reached a level to provide employment for the majority of these young people.”

Enterprise Growth Hub Ecosystem Example:

Multiple Incubator programme cohorts are trained and based at the Stimulus Innovation Centre, Harare Zimbabwe annually.

STIMULUS
Innovation Centre

171 Fife Avenue, Harare



6.0 Programme Design

Application

When designing your enterprise development intervention, ensure that you have identified the most relevant ecosystem type for the enterprises in your programme and facilitate the development of the structure necessary for the ecosystem to be established, e.g. in a value chain ecosystem you need to be able to 'ring fence' the market and the supply chain around the enterprise you are supporting and establish the network link between them.

NOTE: It is possible for the enterprise to participate in more than one ecosystem gaining different things from each one. For example, a resilient communities' enterprise can be part of a value chain ecosystem from a market access perspective, whilst also participating in a geographical ecosystem for mentorship and access to information.

6.1.2 Characteristics of Viable Enterprise Ecosystems

Knowledge Repositories

Enterprise knowledge repositories are critical in the development of ecosystems. These repositories are shaped by the environment in which the ecosystem exists and the enterprises they aim to capacitate. Knowledge repositories can be categorised as either formal or informal.

Formal Knowledge Repositories

Formalised knowledge repositories are generally driven by the circulation of documented information, whether in print or online (websites). They are technology enabled and updated regularly with user driven content as well as official processes detailed from various trade related organisations.

The information within them is shared freely within ecosystems like growth hubs and sector specific associations. Knowledge repositories are crucial in harnessing the innovativeness of young entrepreneurs to be able to disrupt traditional business models and production processes.

Enterprise Level: These normally support scalable or micro enterprises who have access to ICT, connectivity and are generally educated to a higher level.

Knowledge Repositories Definition

A knowledge repository is a central point or location where information is stored and managed. In relation to enterprise, knowledge repositories are a collection of key information relevant to enterprise establishment and growth (business development) that is contextualised to the ecosystem it exists in.

India

Medical Tourism & ICT Sectors Development

Knowledge repositories have contributed in the development of the Indian medical tourism sector which was worth \$3 billion in 2015 and is projected to grow to \$8 billion by 2020. This sector has also grown due to deliberate policy measures to encourage the uptake of STEM subjects in schools by the government from the 1980's. This policy measure has also contributed to India having a very mature ICT and services industry. Both sectors are information driven and this is anchored on the use of technology as a connector and catalyst for innovation.

"Just as oxygen is the lifeblood of living organisms, I think innovation is the driving force behind a successful economy."

**— Anand Mahindra, Chairman,
Mahindra Group in Innovation Ecosystem
in India Report by Deloitte. (2014)**



6.0 Programme Design

Informal Knowledge Repositories

Informal knowledge repositories are generally driven by word of mouth. They evolve from the shared experiences of the ecosystem members. They are focused on sharing information about opportunities (resources and capacity development), process (small scale manufacturing and agriculture) and access (markets, supply chains, logistics).

Enterprise Level: These normally support

resilient communities and some micro enterprises that are geographically disconnected from communication networks. Stimulus Africa's capacity development programme supports enterprises by teaching them how to harness the knowledge repositories within their ecosystems and industry sectors. An enterprise learns how to seek out relevant information that can support the growth they are striving to achieve and once acquired, to utilise it to achieve a growth advantage.

Application

When designing your enterprise development intervention, it is important to decide on a model for knowledge acquisition and dissemination within the identified ecosystem. The model will depend on a variety of factors including but not limited to; 1) ecosystem type, 2) relevant enterprise level, 3) current knowledge sharing systems, 4) information already available 5) information gaps 6) information access.

NOTE: The role of an enterprise development practitioner / project manager is to be a knowledge facilitator. A knowledge facilitator is a project resource who, during implementation engages in the process of supporting enterprise in an ecosystem to identify key knowledge sources, create pockets of information to distribute within the network and to utilise knowledge for commercial advantage. They help groups or individuals understand their common needs in knowledge acquisition and assist them in planning how to attain and share knowledge consistently.

6.0 Programme Design

6.1.3 Mentorship

Mentorship reduces the risk and cost of potential business failures that would be caused by the lack of capacity of the entrepreneur as opposed to external market or regulatory conditions. A structured program of mentorship is therefore vital in producing the desired outcomes of viability and sustainability, while benefiting both the mentor and mentee in the process. A 2008 Gallup study found that adults with a mentor were three (3) times more likely to plan to start a business than those without. In our experience at Stimulus Africa, we have found that a holistic approach to mentorship works best in developing the entrepreneur and enterprise holistically.

Role Modelling

This is achieved under our CEO Masterclass platform that connects fledgling and young enterprises with seasoned captains of industry. This takes place often quarterly.

Group Mentorship

This is achieved through cohorts of incubation or acceleration whereby participants provide business development support through their combined experience, skill set and expertise. This takes place monthly.

Peer Collaboration

This is achieved through the pairing of entrepreneurs who support each other through a guided period of One2One support. This takes place weekly.

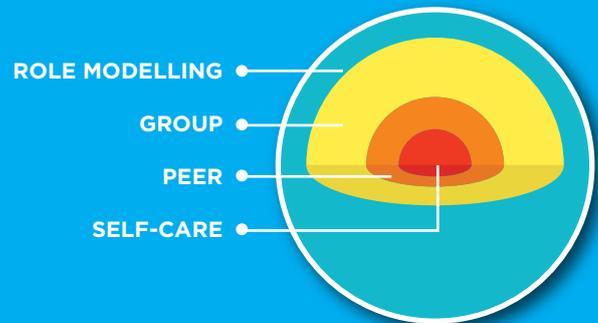
Self-Care

This is achieved by teaching the entrepreneur 'self- leadership' which is a course that provides them with the necessary skills to understand their personality type, strength and weaknesses. The individual then goes through the process of self- development. This takes place daily.

Stimulus Mentorship Model

Stimulus Africa has developed a holistic mentorship model that supports the entrepreneur | enterprise in various ways namely:

- (1) Role modelling [CEO Masterclass]
- (2) Group Support [My Sister's Keeper/ The Brotherhood]
- (3) Peer Collaboration [One2One coaching]
- (4) Self Care [Self-coaching]



Peer Collaboration



**PEER
COLLABORATION**



**THE C.E.O.
Master
CLASS**

6.0 Programme Design

Application

When designing your enterprise development intervention, “alongside capacity” support consideration must be made for a mentorship programme. Stimulus Africa’s recommendation is to have a post training mentorship and coaching support programme ideally between six to twelve months.

Proposed mentorship combination for each enterprise level:

Scalable Enterprise: A combination of all four mentorship programmes is effective at scalable level, for example, Daily self-care, Bi-weekly peer collaboration, Monthly group mentorship and Quarterly role modelling.

Micro Enterprise: A combination of three mentorship programmes is effective at this level of, for example, Daily self-care, Bi-weekly peer collaboration and Monthly group mentorship.

Resilient Communities: A combination of two mentorship programmes is effective at this level of, for example, Weekly self-care and Monthly group mentorship

6.1.4 Networks

Enterprise networks vary in nature from platforms and forums (virtual and physical) focused on business to business (B2B) networking and transacting to commodity exchanges and open markets. Entrepreneurs connect through structured business relationships, identify possible collaborators, create or maximise on opportunities and share information. Ecosystems support the growth and viability of trading networks and open markets therefore the development of strong ecosystems is a crucial success factor for an early stage enterprise.

Without strong networks, it is hard to get initial sales and build foundational supplier relationships which can make or break the business. These networks include, market systems (see M4P operational guide), private sector engagement (through corporate level engagement to influence Corporate Social Responsibility (CSR) spending and moving towards impact investment, for example, Inclusive Business modelling. In less mature

Network Example:

Commodity Exchange - Ethiopia

The Ethiopia Commodity Exchange (ECX) was formed in 2008 in Addis Ababa and is viewed as wildly successful, growing the that country’s economy, linking smallholder farmers to markets, and enhancing food security.

The ECX is designed to combine the best features of a modern commodity exchange with local traditions where Ethiopia has a long history of trading agricultural goods in markets. The establishment of a cutting-edge commodity exchange mindful of local ways of business is a logical and critical step in the economic development of African countries like Ethiopia.

www.ecx.com.et



6.0 Programme Design

markets it is essential to strengthen value chains. Some networks can be developed to support a specific target group, for example, Choose Women: Buy Local, a women's economic empowerment initiative to promote and market products produced and made by women.

The Donor Committee for Enterprise Development identified localised network ecosystems as a progressive strategy for promoting Local Economic Development (LED). 'LED focused programs often include elements of value chain development. Cluster based market development is a specific kind of LED strategy focused on supporting sectoral and geographic agglomerations of inter-connected companies, services and institutions. Support focuses on clusters that are considered to offer the most local economic development potential.

M4P Strategic Framework

Making Markets Work for the Poor (M4P Approach Ops Guide), 2nd edition compile – The Springfield Centre (2015)

The M4P strategic framework guides programmes to select and analyse market systems with a goal to make markets inclusive and at times to effect market system change. "Market system change is a change in the way core functions, supporting functions and rules perform that ultimately improves the poor's terms of participation within the market system. Also referred to as 'systemic change' or 'system-level change.'"

Case Study: Sidella



Inclusive Business Case

Small local commodity broking company, Sidella, pioneered the contract growing of sesame seed, in Muzarabani and Mbire Districts. This gave what were predominantly cotton growing farmers an alternative cash crop which had a low cost of production (inputs, labour, aggregation) in comparison to cotton. The company exports the crop to the Asian market, and till today is still struggling to meet the ever growing demand.

Network Example:



CHOOSE WOMEN: BUY LOCAL NETWORK (CWBL)

Choose Women: Buy Local (CWBL) is a virtual market ecosystem that promotes locally made products and produce from women owned businesses.



Access to initiated by Stimulus Africa in 2016. The technology platform showcases and promotes locally produced products from women-led enterprises and strives to create market linkages locally, regionally and ultimately internationally.

6.0 Programme Design

Application

When designing your enterprise development intervention, it is important to consider the potential market linkages that the enterprises participating in your programme will need to access and take advantage of in order to establish their businesses. The programme you design should factor in supporting the enterprises in making these critical market links.

You will also need to identify the barriers that will hinder the enterprises from accessing markets or fully participating in value chains and design your programme with the necessary access vehicles to overcome the barriers and accelerate growth through participation. Consideration must also be given to supply chains, logistics, connectivity and opportunities for innovation.

6.1.5 Advocacy

It is necessary for enterprises to participate in policy advocacy for private sector development as the regulatory environment has a significant impact on the ease of doing business.

Extensive research points to a number of reforms that could have a positive impact on venture creation, for example; introducing tax breaks for start-ups, allowing entrepreneurs to start their ventures without huge tax penalties in the early start-up phase of development.

Entrepreneurs would have room to accommodate a learning curve, as failure would carry less debilitating consequences and would in turn provide an opportunity to learn lessons, start over quickly and in the final equation recoup losses, if the learning process in understanding the failure is taken to heart.

Areas in which private sector development reforms could make a positive impact on enterprise development include policy developments supporting a conducive environment for better ease of doing business.

In Africa, the development sector can play a vital role in supporting enterprise development through funding advocacy for ease of business reforms. This would ultimately facilitate the upliftment of livelihoods through sustainable employment creation as a result of a more stable regulatory environment.

Key Tool:

PUBLIC PRIVATE DIALOGUE (PPD)

Stimulus hosts a Public-Private Dialogue which brings entrepreneurs together with regulators to strive to work together to address challenges that affect the ease of doing business in a particular community, city or the national policy environment.

Public
Private
Dialogue



PLATFORM

Similar platforms and processes can be adopted to engage local authorities who are normally charged with regulating business.

Case Study:

Zimbabwe: Regulatory Environment

Private Sector Businesses have a role to play in advising government and negotiating for favourable policy such as the S.I 64 of 2016 which has brought a boon for the cooking oil manufacturing sector in Zimbabwe. Consequently, it is important to Invest in advocacy for policies creating conducive operating environments for private sector development. Importantly, the application of business related legislation has a clear material impact on market entrants, for example, the Indigenisation Policy.



6.0 Programme Design

Application

When designing your enterprise development intervention, it is critical to refer to the contextualisation mapping report to understand the macros and micro environmental issues affecting the enterprises you intend to support. Where there are specific issues relating to the operating environment in an area, sector or specific value chain, there is an opportunity for designing your programme with a parallel advocacy process seeking to address the issues with the policy makers and leaders of the area.

6.2 Enterprise Development

Enterprise development begins with the entrepreneur, the individual(s) driving the vision of the venture and working to grow it daily. In fragile and emerging economies characterised with high rates of unemployment, the enterprise driver is not always a natural entrepreneur but rather an individual who is trying to create employment for themselves to sustain themselves.

6.2.1 Enterprise Level

Stimulus has therefore identified three (3) key levels of enterprise that are represented in these markets, namely:

- Scalable Enterprises
- Micro Enterprises
- Resilient Communities

Entrepreneur Definition:

For the purpose and context of this document, an entrepreneur is defined as:

an individual(s) who identifies either a way of fulfilling a need or out-rightly innovates / invents a product or service that creates an opportunity for earning income for themselves and or creating employment for themselves and others.



6.0 Programme Design

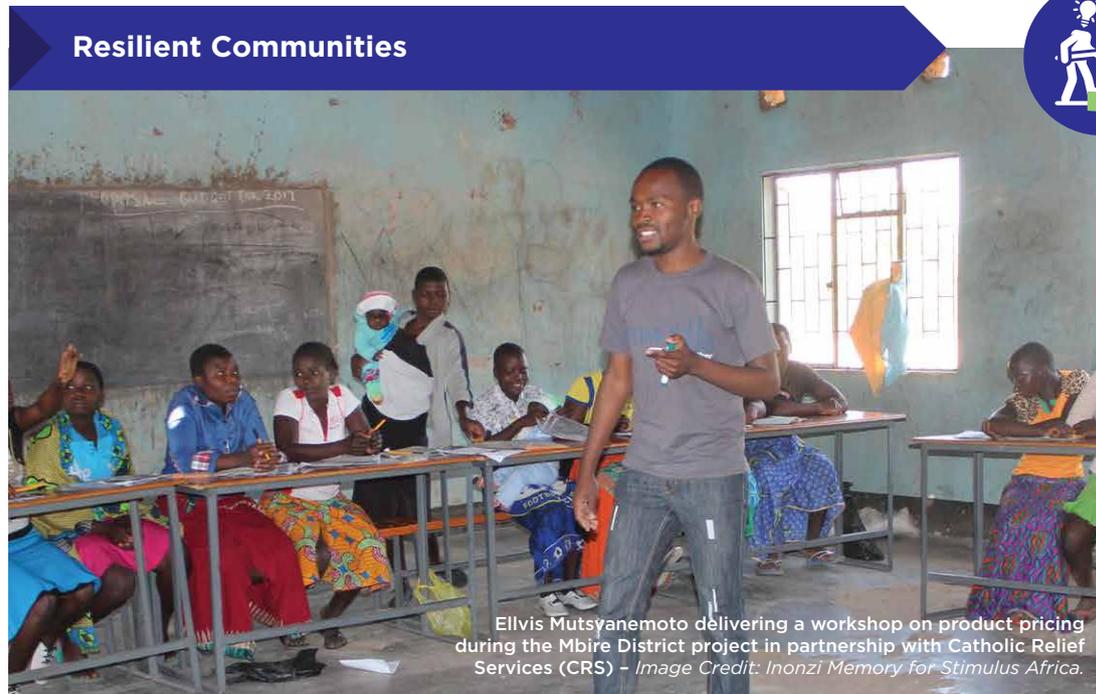
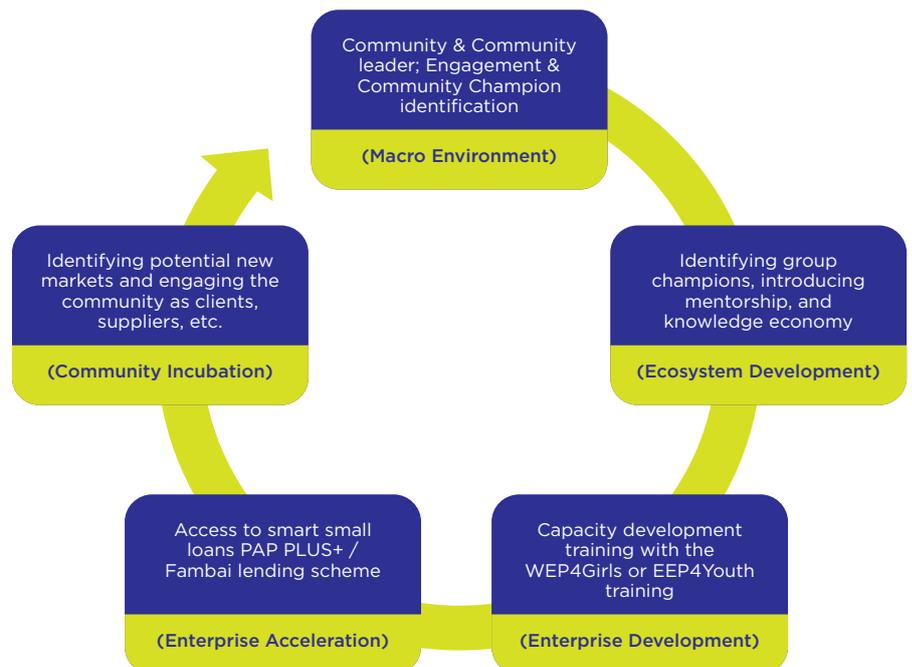


Figure 10: Resilient Communities' Intervention Cycle

Programming is designed to support livelihoods for rural communities in groups as well as the individual entrepreneurs that emerge from this context.

The most critical component at this level is to develop a sustainable ecosystem to support the capacity building delivered to the target beneficiaries.

This is achieved by effective stakeholder engagement at community leadership level and a comprehensive mentorship and network linking approach.



6.0 Programme Design

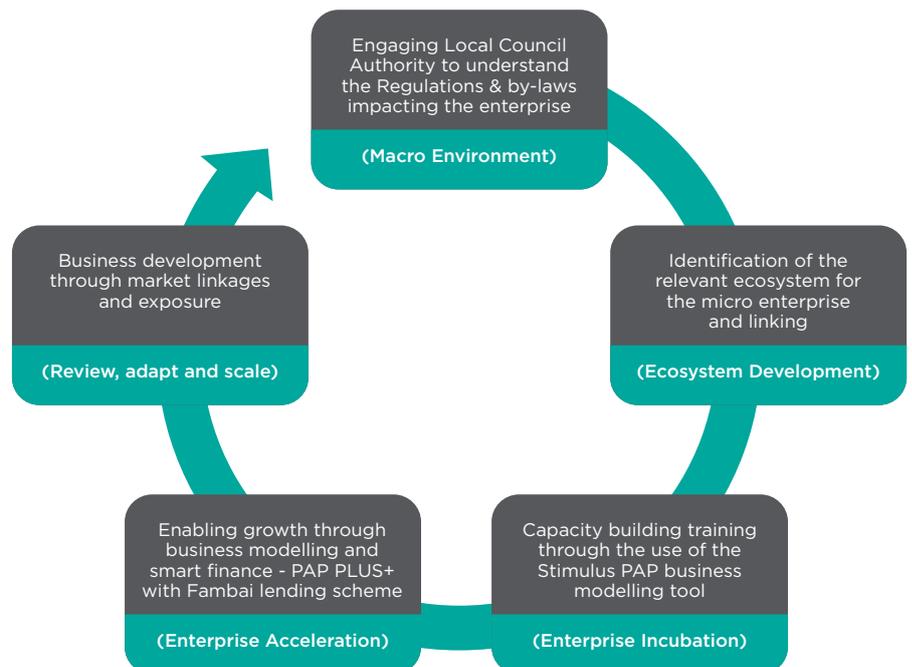


Figure 11: Micro-enterprise Intervention Cycle

This programming is ideal for individuals and groups who have a skill or talent and a keen interest in developing a business around it.

Often these like minded people will come together and enable the organic development of an ecosystem as a collective, often through the use of technology as a connector.

They also participate in value chain ecosystems where they are correctly linked to the right markets.



6.0 Programme Design

Scalable Enterprise

Kuda Makuzwa founder of Anaya Investments producing Anaya honey [right - standing] & Kuda Shambira founder of Heavenly Taste producing tomato jams and tapenades [left - sitting] at a Choose Women: Buy Local Market at stimulus Innovation Centre.

Photography: Inonzi Memory for Stimulus Africa



Programming at this level is achieved through the scalable enterprise development process. The enterprise development process follows a critical path (see below) from the selection of the entrepreneur, through to the mapping of their skills, identifying the gaps, the capacity support provided to bridge the skills gap while aiding the establishment and growth of the enterprise to its ultimate scaling (growth). Entrepreneurs are able to enter the process either at PAP level (business basics incubation) or at PAP PLUS+ level (business development acceleration) depending on the stage of development of the enterprise, the experience and skills of the entrepreneur. This is all assessed through a thorough assessment and in-depth business analysis during the selection process.

Once the scalable enterprise has been selected, a skills gap mapping exercise is carried out on the entrepreneur (founder) and their team to ascertain key capacity development milestones that need to be achieved for the enterprise. Once this is complete a tailored development plan is generated for the enterprise and they enter the incubation process (PAP Business

Modelling Foundation Course). The enterprise will be established (formalised) and increase its activities, improving its processes during incubation. The final stage is to accelerate growth in the enterprise through tailored business coaching and professional services support, inclusive business modelling, mentorship, access to networks, market linkages and access to smart finance.

The three (3) levels of enterprise can interact in various ways, namely:

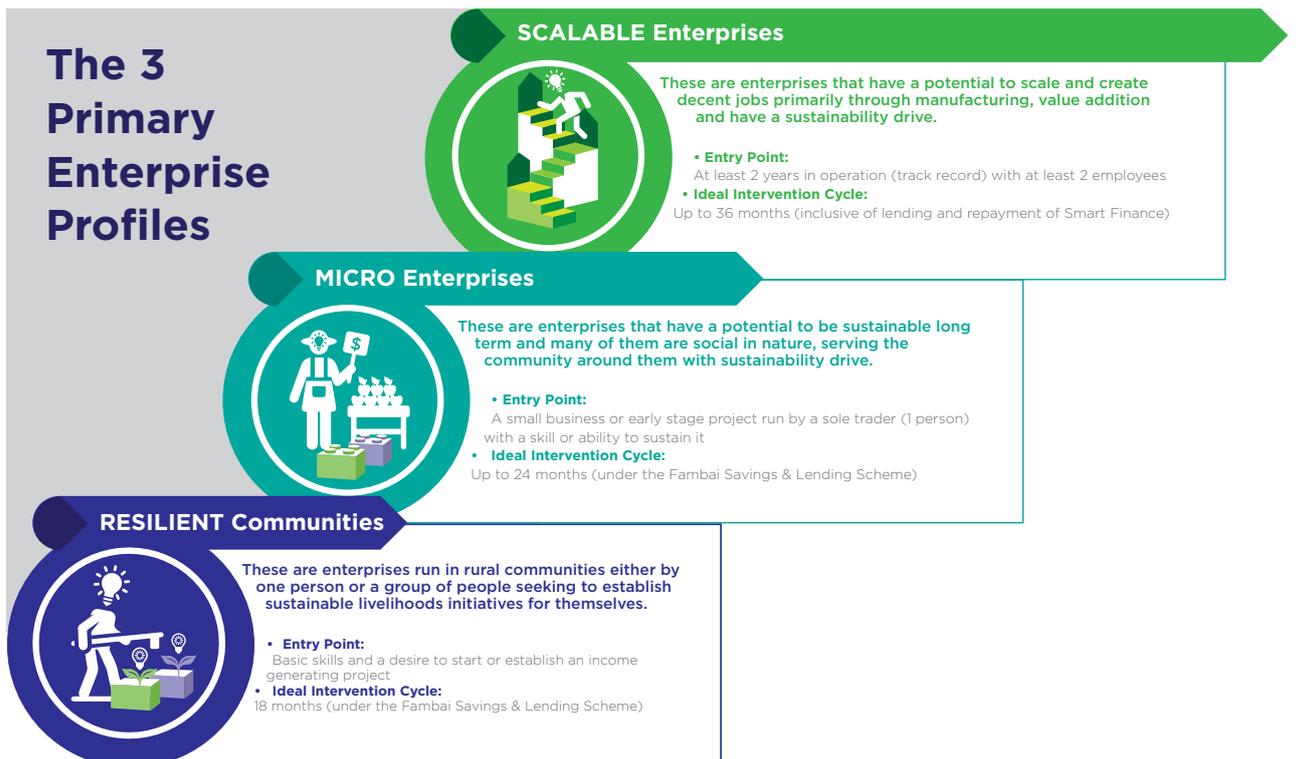
- Scalable enterprises can provide a market for the micro enterprises and resilient communities.
- Micro enterprises, particularly those that are manufacturing or have the potential to value add, can evolve into a scalable business with time and investment in their development.
- Resilient community initiatives can scale into micro enterprises.
- Micro enterprises can exist in a rural community where the entrepreneur drives its growth.

6.0 Programme Design

Figure 12: Scalable Enterprises Developmental Critical Path Process



Figure 13: Stimulus Enterprise Development Levels Defined



6.0 Programme Design

Example	Resilient Communities
NAME:	Claris Muzika
BUSINESS SECTOR:	Fashion & Textiles
PRODUCT / SERVICE:	Second hand clothing (Flea-market Stall)
PROGRAMME:	Women Empowered Program (WEP4Girls)
COMMENT:	<i>"The training has helped me understand how business works and to set dates to my goals so I can track my progress."</i>
OVERVIEW:	Claris owns a permanent table at the local flea-market where she sells clothes in her rural community. Taking advantage of her exposure to Harare, she also buys stock for some of the other flea-market stall owners. Her goal is to raise funds to enrol in a fashion and designing course so that she can make clothes.



Example	Micro Enterprise
NAME:	Tawanda Mafuta
BUSINESS SECTOR:	Food & Beverage
PRODUCT / SERVICE:	Confectionery
PROGRAMME:	Citizen X: Community Change Maker Programme (Incubator for Social Enterprises)
COMMENT:	<i>"After attending an intensive community leadership and social entrepreneurship programme at Stimulus, I started two (2) initiatives; firstly a campaign to raise awareness of drug and substance abuse in my community; and secondly I started Funny Pop Sweets, a business venture initially focused on making cakes and sweets, a skill I learnt from my mother."</i>
OVERVIEW:	Funny Pop Sweets is a micro enterprise focused on confectionery production with 7,500 units produced weekly. Five (5) youth are employed (two (2) are young women). They supply a local wholesaler and have exhibited at various fairs and the Harare Agricultural Show.



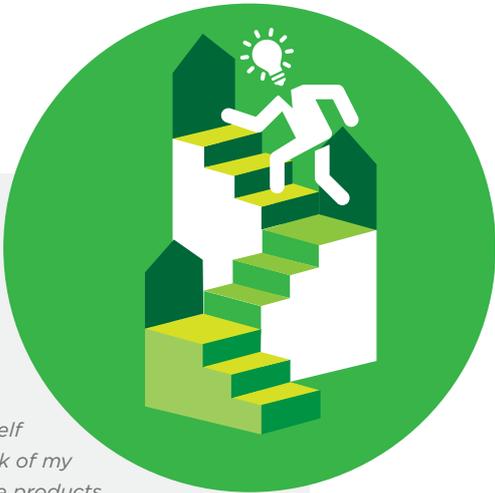
6.0 Programme Design

Example Scalable Enterprise

NAME: Kuda Shambira
BUSINESS SECTOR: Agriculture
PRODUCT / SERVICE: Tomato Jam and tapenade (Value addition)
PROGRAMME: Choose Women Buy Local (CWBL) Initiative Member

COMMENT:
“Choose Women: Buy Local (CWBL) promotes women in business like myself and offers training, coaching support and access to markets. In fact, the bulk of my customers are from the CWBL market days that I attend there! Currently the products are only exclusive to food markets but I am working towards entering the supermarkets and restaurants as well.”

OVERVIEW:
Earthy Pleasures is an agri-value addition business that was initiated in 2014 and started trading in 2016 and employs three (3) people. The core operation is value adding in the tomato value chain, producing tomato based jams and tapenades. The company joined the Stimulus’ Choose Women: Buy Local initiative in 2016 and was assisted in launching the business commercially through this initiative.



Application

The first point of consideration when designing your enterprise development intervention, must be the level of enterprises you seek to impact and support. This section gives insight to consideration on how to identify the enterprises, how to select those best suited for the intervention goals, the type of investment that will be carried out and therefore the length of the programme and the resources that must be invested in order to achieve a sustainable outcome.

6.3 Capacity Development

There are various international models and approaches to teaching the entrepreneur how to establish and grow their enterprise. A leading model is the widely adopted Business Model Canvas (BMC), a strategic management tool for entrepreneurs.

The primary challenge with BMC and other international models is that they are not context relevant to enterprises in frontier and emerging market economies. Stimulus Africa has therefore developed PAP and PAP PLUS+ enterprise capacity development tools specifically for enterprises that are operating and growing in frontier and emerging market economies.

6.0 Programme Design

6.3.1 Stimulus Incubation Programme

PAP which stands for People Action Profit, is a practical tool that facilitates the equipping of the entrepreneur with critical business development skills, including, analytical skills, strategy, forecasting, planning, process development, costing and pricing, marketing and selling and more. PAP helps the entrepreneur create value for the enterprise by making it a profitable and sustainable venture.

Within the three main components of PAP are key elements to be considered when developing a business model in a frontier or emerging economy. Using the PAP business development tool will help the enterprise to clearly understand their business, its strengths, its limitations, its challenges and its opportunities. The tool also helps the enterprise identify its best market entry point and growth potential.

PAP Business Modelling Tool



• PAP

Is an incubator program for fledgling businesses under 2 years in operation requiring foundational training in business development.

• PAP PLUS+

Is an accelerator program designed to further capacitate and scale established and profitable small and medium sized enterprises that are above two (2) years in operation with a track record.

Figure 14: PAP Business Modelling Process Highlights



6.0 Programme Design

Selection Process

Defining, targeting and selecting the right group is critical and a determinant of the final program outcome. The selection process involves the founder or founding team profile, i.e. their geographical location as well as the nature of business, industry being participated in, and the actual product/service in question.

Enterprise Incubation and Acceleration Programme Selection

The results of your intervention will be largely impacted by the enterprises you select to work with therefore, it is critical to contribute to the selection process. The points represented in table ?? below are worth considering when designing your selection criteria ahead of

determining which individuals, groups and communities will participate in your intervention.

Skills Gap Mapping

In achieving profitability and quality product delivery, the level of skill of the founder/founding team is paramount in their respective industry. Skill profiling involves assessing the skills and or technical knowledge levels against the industry or market demand for the enterprise, with a particular focus on sustainability and profitability. To complete skills gap profiling, defining a clear business model to follow helps in setting clear goals for the entrepreneur as well as designing a relevant skills development programme.

Table 5: Selection Criteria

Criteria	Scalable Enterprises	Micro Enterprises	Resilient Communities
Define participant profile	√	√	√
Determine the geographical catchment area	√	√	√
Determine the sector	√	X	X
Assess the enterprise's compliance position	√	X	X
Determine entry point	√	√	√
Skill of founder to deliver product/service	√	√	√
Product/service review	√	√	√

Application

When designing your enterprise development intervention, it is important to consider the potential market linkages that the enterprises participating in your programme will need to access and take advantage of in order to establish their businesses. The programme you design should factor in supporting the enterprises in making these critical market links.

You will also need to identify the barriers that will hinder the enterprises from accessing markets or fully participating in value chains and design into your programme the necessary access vehicles to overcome the barriers and accelerate growth through participation. Consideration must also be given to supply chains, logistics, connectivity and opportunities for innovation.

NOTE: When designing an acceleration programme for the enterprise ensure that the three key components are present; (1) advanced entrepreneurship training (2) business support coaching services, and (3) smart finance for growth. Motivating the project sponsor to support a loan scheme over a grant to the enterprise is critical to the sustainability of the enterprise.

6.0 Programme Design

6.3.2 Smart Financing [PAP PLUS+]

PAP PLUS+ is characterised by two (2) key components:

- Enterprise acceleration process
- Enterprise financing process

Enterprise Acceleration Process

The acceleration process under PAP PLUS+ takes the enterprise through a capability strengthening and market growth process. PAP PLUS+ was designed specifically to assist enterprises grappling with growth and scaling within developing and Frontier markets. The premise is to leverage financial and network resources to accelerate the growth phase of a start-up or the scaling needs of an enterprise.

The three (3) sub-sets of the process are broken down into specific activities focused on the enterprise; interacting with specific actors internally and externally namely the entrepreneur, customer, supplier regulator and the community or world.

Key Tool:

Professional Business Services

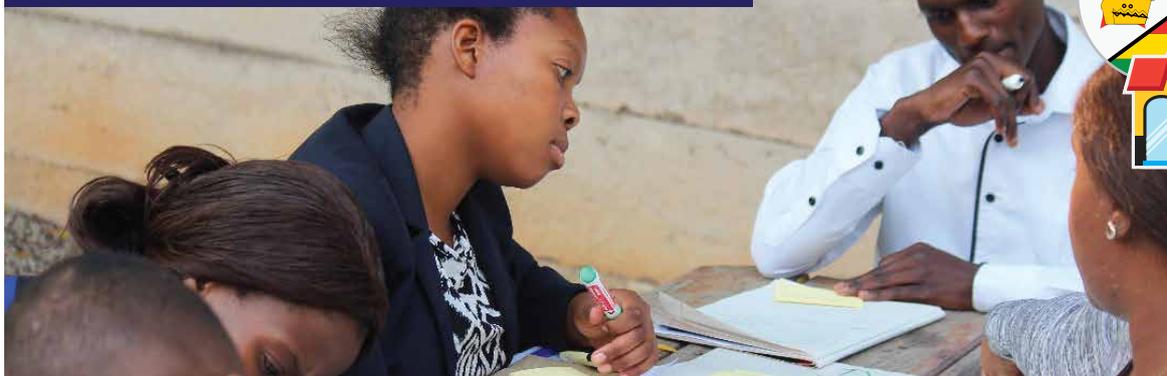
Professional business services are critical as enterprises grow. Essential services from business strategy, brand development, financial management, green business and supply chain management to name a few. Stimulus offers business coaching clinics that cover these and other services including a comprehensive legal clinic supported by V.S. Nyangulu and Associates, Legal Practitioners, Conveyancers, Notaries and Attorneys.

V S NYANGULU
& ASSOCIATES
Est. 1992

STIMULUS | BUSINESS COACHING
growing together | Business Mastery Clinics



Case Study - Business Acceleration Training: ZGS 12 month Creative Incubator (Zimbabwe)



Whilst there is a clear need for business accelerators to support the growth of micro-enterprises, the investment in business acceleration training is often steep due to the number of specialist services an enterprise may need. This gap offers a real opportunity for funding organisations to partner with business accelerators to support enterprise

growth in conducive ecosystems. An example of this is the partnership between the Zimbabwe German Society | Goethe Zentrum Harare (ZGS) and Stimulus Africa. ZGS funded a 12-month incubation programme for 10 creative enterprises in 2017 (participants pictured here – picture credit: Stimulus Africa)



6.0 Programme Design

Table 6: Enterprise Acceleration Process Summary (PAP+)

Actor	People	Action	Profit
Entrepreneur	<ul style="list-style-type: none"> • Opportunity recognition • Knowledge acquisition • Technology identification 	<ul style="list-style-type: none"> • Opportunity development • Knowledge application • Technology utilisation 	<ul style="list-style-type: none"> • Opportunity harvesting • Knowledge assimilation • Technology improvement
Customer	<ul style="list-style-type: none"> • Development and design 	<ul style="list-style-type: none"> • Acquisition 	<ul style="list-style-type: none"> • Customer retention
Employee	<ul style="list-style-type: none"> • Talent assessment and identification 	<ul style="list-style-type: none"> • Recruitment 	<ul style="list-style-type: none"> • Retention and reward
Investor	<ul style="list-style-type: none"> • Identify and engage 	<ul style="list-style-type: none"> • Integrate 	<ul style="list-style-type: none"> • Recoup
Supplier	<ul style="list-style-type: none"> • Develop 	<ul style="list-style-type: none"> • Engage 	<ul style="list-style-type: none"> • Maintain and review
Regulator	<ul style="list-style-type: none"> • Analyse 	<ul style="list-style-type: none"> • Engage 	<ul style="list-style-type: none"> • Manage
Community/World	<ul style="list-style-type: none"> • Analyse impact 	<ul style="list-style-type: none"> • Manage impact 	<ul style="list-style-type: none"> • Review impact

Application

When designing your enterprise development intervention, it is important to consider the potential market linkages that the enterprises participating in your programme will need to access and take advantage of in order to establish their businesses. The programme you design should factor in supporting the enterprises in making these critical market links.

You will also need to identify the barriers that will hinder the enterprises from accessing markets or fully participating in value chains and design into your programme the necessary access vehicles to overcome the barriers and accelerate growth through participation. Consideration must also be given to supply chains, logistics, connectivity and opportunities for innovation.

6.0 Programme Design

6.4 Intervention Financing

There are three areas of consideration when looking at the required investment in enterprise development interventions:

1. Implementation Investment
2. Ecosystem and Enterprise development Investment
3. Enterprise Financing

6.4.1 Implementation Investment

Consideration must be given regarding the investment required to establish sustainable ecosystems and enterprises.

6.4.2 Ecosystem and Enterprise Development Investment

Investing in communities at right levels

The Stimulus' financing model focuses on creating an investment vehicle for Africa that mobilizes resources to design and implement solutions for some of Africa's most critical needs like, clean water, energy and infrastructure using sustainable technologies. We believe that the participation of a community in the economic development of a nation is critical and we seek to foster a sense of responsibility and interest in communities by supporting and investing in profitable and sustainable enterprises at different levels. These levels are outlined accordingly.

6.4.3 Enterprise Financing

A lending scheme that requires accountability and multiplication from the beneficiary within the terms of return on investment required establishes a fundamental discipline of financial management and wealth creation resulting in financial inclusion. In the long term, capital investment in enterprise development on these terms has a greater chance of achieving sustainable livelihoods. These terms include a

clearly communicated financing process and a requirement of viability and scaling potential from participants in order to qualify for access. The Fambai Savings and Lending Scheme developed by Stimulus Africa, which is explained later in this section, is one approach that illustrates these principles. This scheme encourages saving among entrepreneurs while providing access to borrowing 'smart finance' through peer network groups at resilient communities and micro enterprise level.

Quotation:

"What is recommended here is a departure from the traditional grant funding system of distributing finance at no cost which creates a dependency mindset rather than the impetus for entrepreneurs to strive for sustainability. Instead, financing should be directed towards investing in the enterprises most likely to achieve scalability and create decent jobs."

- Rudo Nyangulu-Mungofa

Article Extract:

A Case For Alternative Smart Financing At All Enterprise Levels:

An extract from an article by Musekiwa Samuriwo & Tinashe Mukogo

Silicon Valley and similar entrepreneurial ecosystems have well established financing structures starting with friends & family and crowd sourcing, and then progressing to Angel Investment, and later Venture Capital. These stages are accessible from start-up level and arrived at in stages. By the time the enterprise enters the traditional banking system for funding, financial literacy will have been developed through the various stages of development.

This is not the case for the African Entrepreneur who more often than not has friends and family who are living on less the \$1.25/day and therefore local crowd sourcing is challenging. The remaining financing option available is the micro finance institutions which for the most part are more like "loan sharks" due to the extremely high interest rates they charge for the money they lend out often on a short-term basis.



6.0 Programme Design

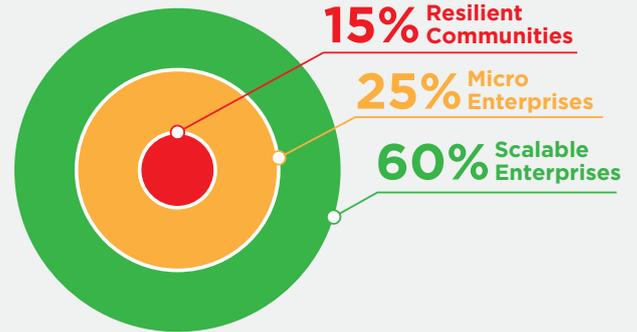
The primary thrust of this section, however, is to present a case for:

1. Impact investment as the primary option rather than grant funding at resilient communities and micro enterprise level to combat the donor dependency mindset, especially of young people
2. Impact investment in scalable enterprises as businesses with the greatest potential to scale up and create jobs. This potential would be evidenced by a capacity to export goods and services, as well as create jobs for the unemployed.

The **Stimulus Enterprise Financing Model** proposes a shift in development financing for livelihoods interventions based on a Sustainable Impact Matrix. This model proposes that the greatest impact will be achieved in frontier and emerging market economies from investing the majority of livelihoods funding in scalable enterprises because they are in a better position to create sustainable decent jobs of the three enterprise levels.

As shown in the diagram below; investing in a large number at resilient communities' level will have the same impact as investing at scalable level with one fundamental difference; at

Figure 15: Sustainable Impact Matrix



scalable level the enterprise establishes a sustainable venture. These ventures have the capacity to create employment (decent work) and strengthen supply chains (creates sustainable markets for themselves, resilient communities and micro enterprise level businesses, especially but not limited to the agriculture value chain. Scalable enterprises also have the capacity to create structures that provide continued access to markets through value addition and manufacturing locally. The results are an increase in the general standard of living and access to healthcare and education for a greater number of people.



Nyasha Mabasa (centre) awarded her certificate and USD\$500.00 seed fund to accelerate her project after completing the Citizen X programme and winning the pitch competition. The award was presented by (left) Tambudzai Madzimure (Hivos) and (right) McCloud Mungofa (Stimulus Africa).

Citizen X is a Community Changemaker (Leadership & Social Entrepreneurship Incubation programme) graduation, 2016

Partner(s): Hivos, Southern Africa

Photography:
Inonzi Memory for Stimulus Africa

6.0 Programme Design

Table 7: Enterprise Level Investment (Scalable, Micro-enterprises and Resilient Communities)

Intervention Level	Intervention	Impact	Benefits	Impact Horizon
Scalable Enterprises	100	10,000	<ul style="list-style-type: none"> • Employment creation • Innovation diffusion • Wider economic impact • Industry development • Return on investment (HIGH) • Sustainable enterprise • Wider scope of impact 	<ul style="list-style-type: none"> • Medium to long term
Social Micro-Enterprises	1,000	4,000	<ul style="list-style-type: none"> • Community transformation • Skills enhancement and development • Return on investment (MEDIUM) • Employment creation • Inclusive markets 	<ul style="list-style-type: none"> • Medium term
Resilient Communities	5,000	10,000	<ul style="list-style-type: none"> • Sustainable rural households • Community development • Social transformation • Sustainable livelihoods 	<ul style="list-style-type: none"> • Short to Medium term

6.4.4 Impact Investment at Resilient Communities & Micro Enterprise Level

Traditionally at this level the enterprise would attract grant funding with no expectation of return on investment (ROI).

The Stimulus Africa Approach

At Resilient Communities and Micro Enterprise level, Stimulus Africa provides a product called PAP PLUS+ which combines acceleration with smart finance through the **Fambai Savings and Lending Scheme** programme.

Through Fambai Savings and Lending Scheme, these enterprises are able to access small loans at minimal cost due to low interest rates, giving their venture a boost and enabling them to establish themselves towards sustainability.

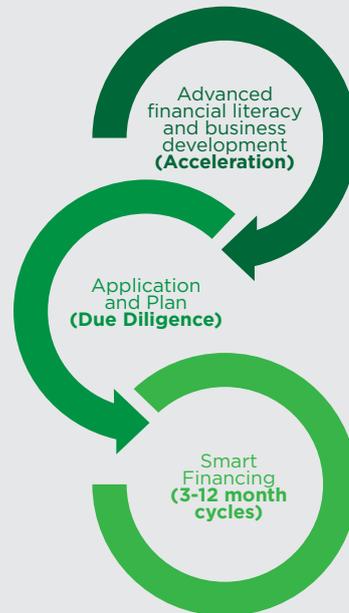
The scheme also seeks to promote financial literacy, accountability and financial independence of the individuals running income generating projects and micro-enterprises through a two-pronged approach:

- (1) **Advanced Financial Literacy Training** teaches the enterprise how to price their product, identify revenue streams, cost their products correctly, while also calculating profit margins and re-investing in their ventures.
- (2) **Practical Finance Management and Borrowing** from a revolving fund which offers reduced interest rates (smart finance) at a critical growth point in the development of the venture when it requires specific resourcing.

6.0 Programme Design

Figure 16: Fambai Lending Process

The **Fambai Lending Scheme** encourages the enterprise to join a savings club as the first stage towards being "lending worthy" and then save for an acceptable period before borrowing. This enables the enterprise to understand the value of investing in its own growth before seeking external funding whilst at the same time providing vital resources when needed by the enterprise to enable the enterprise to establish or scale. There is a coaching support component to the **Fambai Lending Scheme** which is group based through natural ecosystems that emerge through programming.



Case Study for Equipment Acquisition Funding: Ekwendeni Abattoir (Malawi)



In 2014, Dawulalizwe V. Nyangulu, an entrepreneur who owned a micro enterprise in Ekwendeni, northern Malawi in Mzimba District, identified an opportunity in the livestock market. He gathered resilient communities in the area that owned cattle and empowered himself and them by setting up a cooperative. They then applied for the European Union Farm Income Diversification Programme (FIDP) fund to enable them to

set up an abattoir in their community to service the local area and the nearest town, Mzuzu. The groups proposal was an application for equipment acquisition and they co-funded the initiative by acquiring the land and building the structure. Ekwendeni Abattoir opened its doors in 2016 and is a thriving sustainable business in the community that has created five jobs and is a market for rural cattle owners in the area.

Dawulalizwe V. Nyangulu sadly passed away on September 21st 2015.

6.0 Programme Design

6.4.5 Impact Investment and Enterprise Financing at Scalable Enterprise Level

The Stimulus Africa Approach

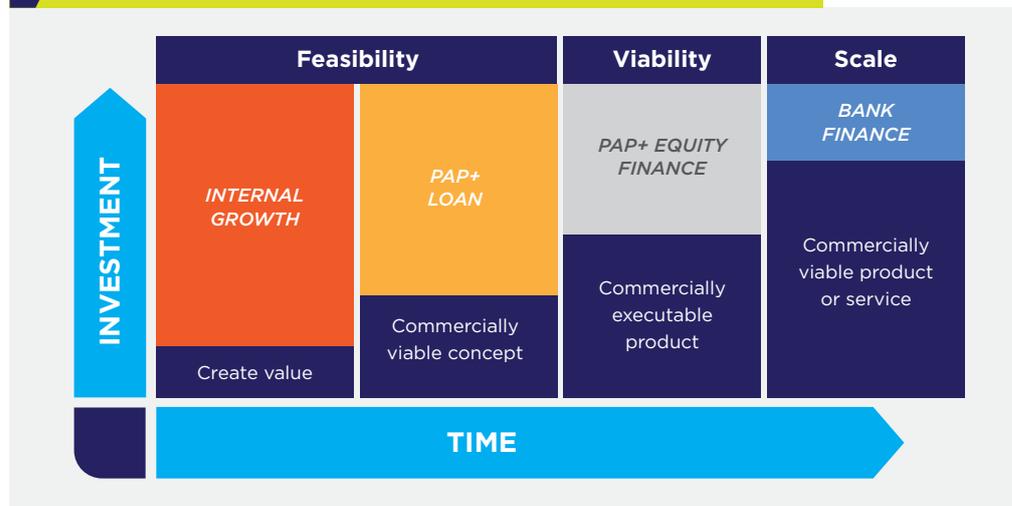
A critical component of capacity development through the PAP PLUS+ tool is the Investment Horizon.

Considering the complexity, volatility and adaptive nature of enterprises particularly in frontier and emerging market economies, it is natural that a time and investment horizon must be considered. In the beginning of the investment process an enterprise is assessed and analysed on the degree of feasibility in

terms of value proposition and the enterprise being commercially viable. Progressively, based on performance and potential to create value, the enterprise is positioned to access the first phase of finance focused on further validation of a commercially viable concept. The PAP PLUS+ Investment Horizon focuses on positioning an enterprise to access scaling using smart finance.

This process enables the enterprise to gain a financial track record which in turn will unlock potential for the enterprise to get future finance directly from institutional investors such as banks. During the loan process, the enterprise is supported with tailored one to one business coaching, mentorship and professional services.

Figure 17: PAP PLUS+ Investment Horizon



Financing Methods

The Stimulus Revolving Fund Financing Model will utilise some of the financing tools below to invest in and support the development of effective and efficient ecosystems and sustainable enterprises dependant on relevance.

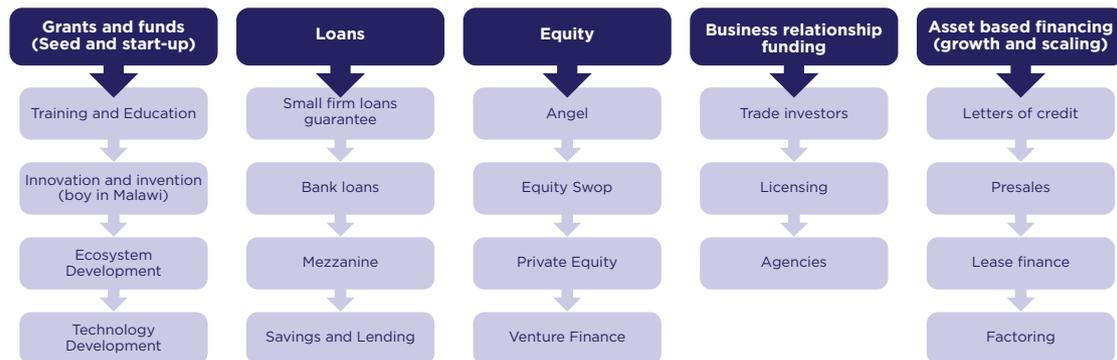
Traditionally, donors have invested in the first type of funding, Grants & Funds, and often at resilience level in communities. There is a move in recent years to expand this investment into providing loans and an expansion of what constitutes grant funding or loan worthy

evaluation which is a process of identifying who should be able to access this funding. Stimulus Africa believes that this recent trend offers a real opportunity for sustainable enterprise development interventions.

In Frontier markets, scalable enterprises require the most investment to establish sustainable enterprises and create decent jobs. This is a critical path to achieving the ultimate goal of poverty alleviation; where it is a well-known fact that not every individual is entrepreneurial; therefore, employment creation is essential to sustainable development at a country level.

6.0 Programme Design

Figure 18: Smart Financing Vehicles



Case Study for Innovation Funding: Opexa-Perspectives Logistics App (Zimbabwe)



In 2017 Opexa Pvt Ltd, a Fintech SME in collaboration with Perspectives-Stimulus started developing a logistics software application called E-Nduna, for ease and affordability of transportation of goods. The application was designed to solve the problem of getting produce / product to market and the associated administrative and payment processes. The application was designed to be an interface for micro-enterprise transporters and small holder farmers / SME businesses in Zimbabwe with a view to scale across the region.

Once the platform was at prototype stage there was need for funding to accelerate the application to commercialisation. The project consortium did not have the resources to put the application into the market for live user testing. Stimulus Africa sourced a donor funding partner, Danchurch Aid (DCA) [Denmark], to impact invest in the project by providing a seed fund (grant) that supported the further development of the application.

Stimulus Africa, having identified the need for scalable enterprises to be able to access funding to innovate and develop new products from ideation and prototyping through to commercial viability stage, developed a funding model for facilitating financing of such activities through the work it does.

The Opexa Logistics software application project met the entry criteria for access to this type of funding because it was seeking to solve a problem that affects a large section of the economy.

DCA joined the Innovation funding programme through their livelihoods programming with the primary objectives of (1) Supporting young entrepreneurs to develop viable products and services (2) Supporting the development of sustainable solutions to local problems, namely logistics (transportation) for small holder farmers, with the ultimate goal of alleviating poverty.

6.0 Programme Design

DCA was also driven to impact invest because the application was developed by Africans presenting an African solution to an African problem through an innovative channel with a reduced environmental impact, making it a sustainable innovation. In this case, investment

in the Scalable enterprise led to downstream investments in the development and transformation of resilient communities (small holder farmers) utilising technology and innovation diffusion.

Figure 19: Multi-Level Desired Impact of Smart Financing



6.0 Programme Design

Application

Financing the Enterprise

Investment at enterprise level is dependent on the investment that has been made at environment and at ecosystem level. More developed environments with strong ecosystems offer the enterprise a conducive environment for growth. The reality is that frontier or pre-emerging markets rarely have developed environments and ecosystems. Furthermore the entrepreneurs in these economies are often poorly resourced and high risk borrowers therefore they do not attract traditional finance. Therefore the intervention designed needs to take into account the need of the enterprise for smart finance and to build access to smart finance into the intervention.

Financing the Ecosystem

Financing of the ecosystem and acceleration programmes through hubs will create adequate and functional knowledge systems to support the development of innovative enterprises in the future is the starting point in resourcing sustainable interventions. Allocating sufficient funds to establish an ecosystem that provides the enterprise access to mentorship, networks, market links, knowledge repositories and advocacy will result in measurable sustainable outcomes.

NOTE: Investing in an improved operating environment is a long term strategy that requires significant capital investment at country level. However improved infrastructure and systems raises functions to optimal levels that ensure growth and development. Aspects we consider to be of importance include efficient and functional road systems, connectivity, market links and strengthened value chains. Investments into local and national governance structures together with the corporate and business sector of a nation provides important networks that ensure the process of transformation is fluid and long lasting. Effective healthcare and education systems among other social services also have a significant role to play.

A young woman attending a Creative Learning and Active Dialogue [C.L.A.D] event workshop as part of the Stimulus Mobile Hub outreach in Rugare, Harare - INgage Project.

Partner(s): Hivos, Southern Africa

Photography: Inonzi Memory for Stimulus Africa





7.0 Implementation Management and Measurement

Introduction

In this guide we have considered the pre- intervention scoping, mapping and planning process and the implementation design process which are two key precursor activities to delivery and management of successful interventions / projects. The management of the intervention or project utilising best practice, is the critical final step in achieving successful project delivery resulting in sustainable impact. Practitioners and stakeholders involved in enterprises development interventions need to familiarise themselves with best practice standards for project delivery. This can be achieved by making use of the various tools and techniques highlighted here as enablers of the process. However, these tools and techniques are not exhaustive, therefore, practitioners are encouraged to carry out further research on other available resources to facilitate the implementation, management and measurement of their enterprise development projects.

The management and implementation approach described in this chapter will guide the practitioner in delivering successful interventions if followed closely. It is adopted from best practice in project life-cycle management and Stimulus Africa's practical experience in managing enterprise development projects.

7.1 Key Principles in Project Implementation

In developing the implementation management process, this guide makes use of a Project Life Cycle approach and references mainstream project management tools and techniques which have been evaluated in the context of enterprise development and are seen by the organizations as key to aiding the achievement of successful intervention delivery. Reference is also made to tools developed in-house by Stimulus Africa resulting from our experience in delivering enterprise development interventions | projects.

7.0 Implementation Management & Measurement

Table 8: Project Life Cycle Approach

Project Life Cycle Approach					
Monitoring and Evaluation Process					
Phase	Feasibility	Initiation	Planning	Implementation	Close Out
Stimulus E.D. Process	Visioning and Problem Analysis	Intervention Definition		Environment, Ecosystem Development and Enterprise Development	Measurement and Close out
Actions	<ul style="list-style-type: none"> Multi-stakeholder consultation and workshoping to develop a vision Desk Research Field Research Define opportunity Business Case Workshoping 	<ul style="list-style-type: none"> Contract Negotiation and signing Assign responsibilities TOR's Stakeholder engagement and analysis Stakeholder impact mapping 	<ul style="list-style-type: none"> Scope /Project definition workshop Develop Indicators for success Conduct Work Breakdown Structure (WBS) workshop (Brainstorming) List and sequence activities Develop project schedule and budget Conduct risk management workshop Conduct stakeholder management workshop Define quality plan 	<ul style="list-style-type: none"> Refer to Section 6 Manage changes to scope Report progress 	<ul style="list-style-type: none"> Build knowledge repositories Conduct lessons learnt workshops Notify stakeholders of pending project closure Close operational processes. Obtain sponsor sign off Archive project and process documentation Compile project handover report
Tools /Techniques /Models	<ul style="list-style-type: none"> Desk Research, Field research, workshops, focus groups, business case templates 	<ul style="list-style-type: none"> RACI Matrix, Power and Interest grid Stakeholder Impact Map 	<ul style="list-style-type: none"> M&E frameworks and Logframes Work Breakdown Structure Risk breakdown structure PEST and SWOT analysis Scheduling and collaborative tools Spreadsheets Brainstorming tools Power Interest grids Risk registers Stakeholder registers 	<ul style="list-style-type: none"> PAP and PAP+ models, Sustainable Intervention model, Project Essentials Monitoring reports, Project progress tracking tools (Schedules), Work performance reports, Budget trackers, Change control forms 	<ul style="list-style-type: none"> PIR and Close out Report templates, Spreadsheets, Schedule templates
Key Deliverables	Business Case / Feasibility Study	Responsibility and Assignment list (as per E.D Guide), Stakeholder Impact Map, Stakeholder Register and Analysis, Contracts/Charters	Scope management plan (defines how changes will be managed), Communication plan, Risk management plan, Project schedule and budgets	Reports, Performance metrics, outcomes, learnings, Indicators tracker	Post Implementation Reports (PIR), Lessons learned, Handover report, Project and process assets.

NB: Don't exit a phase before attaining key deliverables

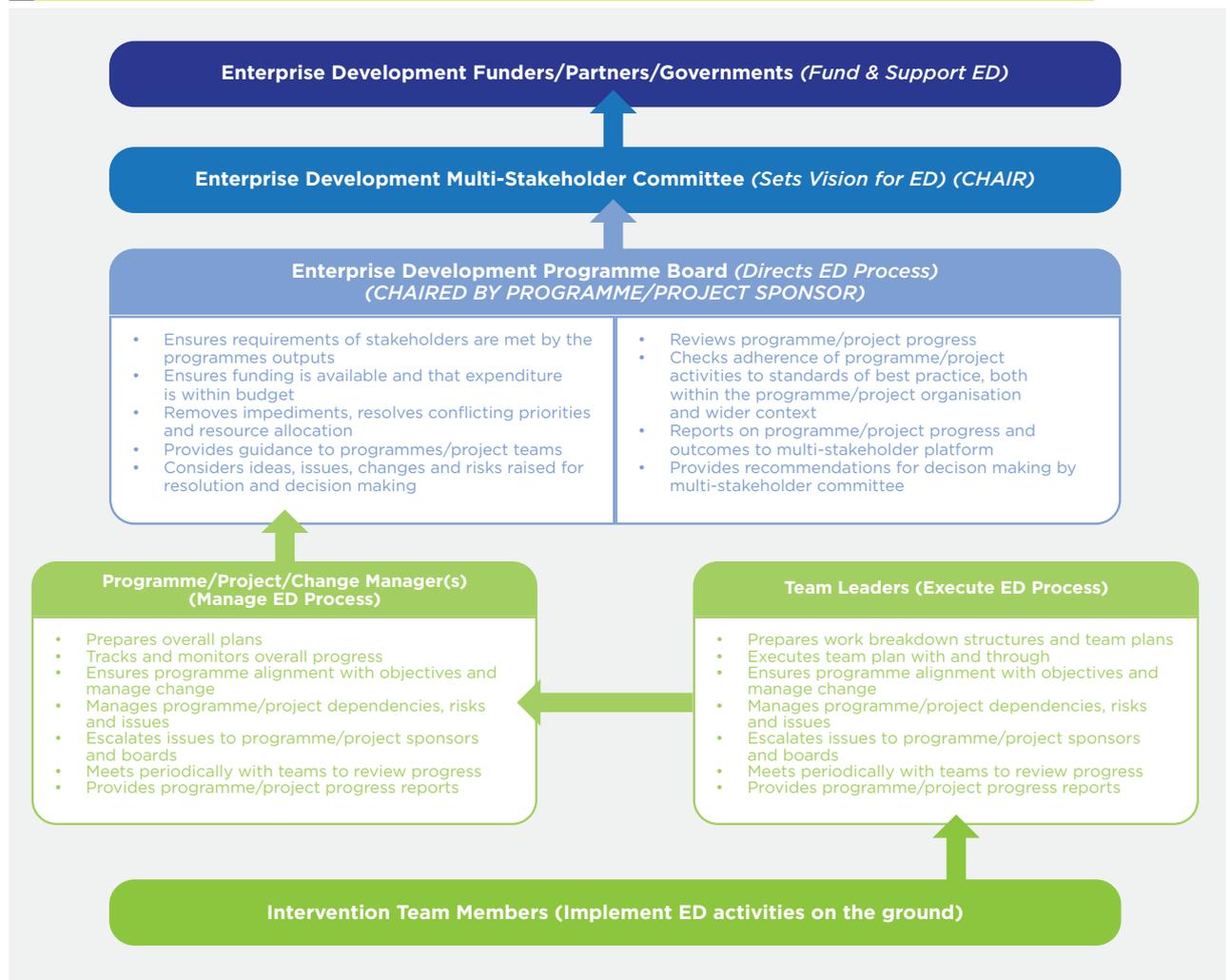
7.0 Implementation Management & Measurement

7.2 Governance and Reporting Overview

Project sponsors and management support are critical for the success of any intervention. Intervention teams need to be in touch with sponsors and decision makers who can remove impediments and make key decisions in the enterprise development process. As such, governance and reporting is a key process in

enterprise development that facilitates feedback, the controlled management of change and impact tracking as well as highlighting areas and enabling continuous improvement of programmes. A reporting and governance process is therefore necessary for success in any intervention and below is a proposed framework that can be followed in order to ensure this process is carried out successfully.

Figure 20: Governance and Reporting Framework for Project Delivery



7.0 Implementation Management & Measurement

7.3 Reporting Process

In order for the reporting process to achieve the desired objectives it is necessary to have a systematic approach. The following is a reporting process that can be adopted for the evaluation and tracking of enterprise development programmes.

Enterprise development practitioners should consider the key metrics outside budgets,

timelines and scope to report on and ensure these are accurately tracked. Examples of metrics that can be measured include team performance, stakeholder satisfaction, delivery efficiency among others. It is recommended that performance metrics or KPI's are agreed upon at programme design stage with all relevant stakeholders including but not limited to the communities themselves (beneficiaries), project sponsors and community leaders and relevant private and public-sector players.

Table 9: Reporting Cycles

Report	Frequency (per programme level)	Reporting forum (Distribution list)	Interdependency / Input
ED Sponsor Report	Resilient Communities: Fortnightly Micro-enterprises: Monthly Scalable enterprises: Quarterly	Programme / Project sponsor	Implementation team reports
Combined implementation Progress Report	Resilient Communities: Weekly Micro-enterprises: Fortnightly Scalable enterprises: Monthly	Implementation committee, team members	Team lead reports
ED Programme/ Project Board Pack	Resilient Communities: Monthly Micro-enterprises: Bi-Monthly Scalable enterprises: Yearly	Programme / Project sponsor and board	<ul style="list-style-type: none"> • Updated overall status • Key RAIDS • Financials • Action & decision log • High level indicators / essentials report
ED Multi-Stakeholder Steering Committee Pack	Resilient Communities: Quarterly Micro-enterprises: Half yearly Scalable enterprises: Yearly	Multi stakeholder steering committee	Programme / project board pack / decisions taken
Government / Funder / Partner Reports	Resilient Communities: Annual Micro-enterprises: Annual Scalable enterprises: Annual	Government, funders and partners	Programme board packs

7.0 Implementation Management & Measurement

Application

Once you have designed your intervention, implementation management, good governance, reporting and measurement, thorough monitoring & evaluation are crucial for the successful delivery of the intervention.

NOTE: Stimulus Africa, through its Project Management Network provides a “virtual project management office” (PMO) service which manages projects, delivers training on project management best practice, provides coaching support and assists in stakeholder engagement on a consultancy basis for project / programme managers and enterprise development practitioners.

Critical elements to an intervention/project:

- Clearly define intervention / project scope, time frame and budget
- Good project management
- Management of risk
- Stakeholder engagement
- Best practice application

Governance and Reporting includes:

- Project Sponsorship and executive management support
- Reporting feedback and actions throughout the project life cycle
- Change management

Systematic Reporting:

- Define key reporting metrics relevant to your intervention / project
- Regular review meetings with project implementation team
- Regular review meetings with project sponsor(s)
- Actioning and tracking changes

Intervention Process Overview

The intervention process chart (figure ??) summaries the processes described in chapters five, six and seven of this guide to enable the enterprise development practitioner to create a comprehensive checklist of key actions. This will enable the practitioner / project manager to ensure critical steps are not missed as they plan, design, implement and report (M&E) on the enterprise development interventions they deliver.

Figure 21: Intervention Process Overview



A group of out of school adolescent girls and young women from Mbire District being trained by Rudo Nyangulu-Mungofa during a [PAP+] Fambai Savings & Lending Scheme workshop [Resilient communities].

Partner(s): Catholic Relief Services [CRS] (United States of America)

Photography: Inonzi Memory for Stimulus Africa





8.0 Conclusion

8.1 Considerations for the Future

Africa is fast becoming a technology innovation leader with its billion plus market and growth potential in multiple sectors. Against this backdrop it is essential to take a moment and look at what is likely to drive the development agenda in Africa in the coming years. A good starting point for this discussion is ICT for Development. When we consider the “internet” of things, frontier technologies, and the drive towards “free internet access” by companies like Facebook (among many developments in the technology and innovation space). It is clear to see that Africa has a real opportunity to leap frog some key development stages in building its economic growth and can potentially emerge as a leader on the international stage, driving its own economic growth. Elements of this are already visible when we consider the African innovation of mobile money driven by M-pesa and adopted by telecommunications companies across the continent - “banking the un-banked” and making financial inclusion a reality on the continent in even the most under-developed of economies.

Africa also represents a market place of potential consumers that is a billion plus strong. This is a huge opportunity for African enterprises to claim a significant share of the increasingly globalised markets, particularly, those that are manufacturing and value adding locally. It is essential that African enterprises study the spending habits of the poor to understand how to unlock this market and reap the rewards. This is the key to harnessing a market place that is currently monopolised by multi-national foreign brands like Coca-Cola and Nestle. Delivering value at an affordable price has and continues to be the determining factor for achieving success across many enterprises on the continent. A sector that is quickly headed towards dominating this billion dollar market is energy provision. There are real opportunities to be capitalised in the renewable energy sector, specifically, as energy is required for domestic as well as industrial / commercial production and critically under resourced by public service delivery systems in the region. With all this in mind, the following factors and trends represent the immediate future considerations we feel will have a significant impact on enterprise development in and emerging economies.

8.0 Conclusion

8.1.1 Information Systems and Big Data

Mobile technologies are creating a pervasiveness of the internet in Africa. This rising trend demands that Africa focus on building 'technology enabled' connected enterprises to harness the growing appetite for Information and Communication Technologies on the continent. Subsequently, the drive for enterprise development needs to take into consideration the emergence of the large data sets that institutions and governments can leverage to improve decision making at macro and micro levels. There is no longer a paucity of data in Africa, it is now a matter of consolidating existing data for conversion into information packages and more importantly knowledge in view of the knowledge repository.

8.1.2 Defragmenting the African Market

Tough African markets are characterised by fragmentation due to various barriers, including but not limited to logistics, market linkage vehicles and mechanisms, and access to high value buyers. We believe that building sustainable enterprises with a continental and global focus will be paramount in overcoming many of these barriers. As such investing primarily in scalable enterprises will deliver a desired result of sustainable livelihoods and

poverty alleviation. This will be a key approach to leveraging the market potential of Africa's burgeoning population for the benefit of the continent.

8.1.3 Green Collar Jobs

Green Enterprise is the next wave of development from Africa with the potential to follow the foot steps of Tech enterprises. From the need for energy and clean water to the challenges posed by waste, there are multiple avenues for social entrepreneurship and green business to intersect and create opportunity for what is now more commonly referred to as 'Green Collar Jobs' on the continent. The interest in managing environmental impact and realising the market potential for recycled waste, renewable energy, green supply chains and more is growing year on year with countries like Sweden investing' at scalable enterprise level on the continent in order to support the creation of green collar decent jobs.

Considering these points, research and use of foresight methodologies, futures thinking and thought leadership forums will be key to support government or donor led interventions into drivers and elements of economic growth in the future.

8.2 The Stimulus Africa Position

Stimulus Africa is driven by its ultimate mission to drive sustainable enterprise development and private sector growth on the African continent. To this end this guide represents how we are currently achieving this through sharing the Stimulus Africa approach and some best practices that we have learnt along the way. Most importantly the guide presents some suggestions and ideas on how more can be achieved when all the players in the enterprise development spectrum, from resilience livelihoods interventions, micro enterprise and social venture development to high impact investing at scalable enterprise level, are unified in their approach. Ultimately, Stimulus Africa seeks inclusive sustainable growth as a key result area post any enterprise development intervention – a position that is common among development practitioners and development intervention sponsors.

The guide focuses on contributing to the development of frontier and emerging market economies of the future around Africa through ecosystem development. Of principal importance is using enterprise development as a tool for the development of circular and inclusive ecosystems that will drive sustainable growth at enterprise level. This will ultimately lead to sustainable development at community and city level, leading to improved living standards, as well as increased and eventually universal access to healthcare and education, thereby achieving the overarching goal of poverty reduction in a sustainable way across the African continent.

9.0 Annexes

Glossary

List of Tables & Figures

Author Profiles

Bibliography

9.1 Glossary

	Word	Definition
A	● Acceleration	The process by which enterprises that have successfully undergone incubation, are further developed by provision of business development services so as to scale them up.
	● Advocacy	The process of supporting a certain cause or policy publicly in an attempt to influence decisions made within a political, social and economic context.
	● Angel investors	People who invest their money as capital for start-up businesses in return for equity, but without exercising control over how the business is managed.
B	● Big Data	Large volumes of both structured and unstructured data which can be analysed to reveal patterns, trends or relationships.
C	● Capacity Development	The process through which entrepreneurs, and enterprises obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time.
	● Community Champion	A local person drawn from the target area of an intervention, who is selected for the purposes of advocating for or representing the work of the organisation implementing the intervention.
	● Conflict Zone	War prone areas in which factions waging war against each other exist.
D	● Decent jobs	Productive work in which rights are protected, which generates an adequate income and provides adequate social protection.
E	● Ecosystem Development	The process of designing a multi-faceted network including capacity development, knowledge economy, and mentorship, so as to create a supportive environment for the growth of an enterprise.
	● Ecosystems	A multifaceted network of elements that create a conducive environment for an enterprise to grow
	● Enterprise development	The process of managing and offering support to businesses at various levels of development so as to maximise returns realised from the business
	● Entrepreneur	An individual who finds a way of fulfilling a need or solving a problem whilst creating an opportunity to earn income.
	● Equity	Net amount of funds invested in a business by its owners, plus the retained earnings.
	● Equity Swop	A form of financing in which a borrowing company finances its debt by offering a lending company or one who covers the debt, equity.
F	● Factoring	A transaction in which an enterprise sells its invoices to another enterprise, at a discount so that it can use the funds received to cover immediate cash flow needs
	● Feasibility study	An analysis of the probability of an intervention being successfully implemented considering the technological, environmental, economic and social factors surrounding the targeted area.
	● Founder / Founding team	The person or organisation which starts an enterprise
	● Fragile Economy	See page 10
G	● Gender equity	A situation where women and men, girls and boys, enjoy the same rights, resources, opportunities and protections.
	● Green Collar Jobs	These are jobs found within economic sectors or companies which conduct business in an environmentally friendly manner.
	● Group Mentorship	The process by which entrepreneurs in the same training cohort mentor each other within their teams

9.1 Glossary

	Word	Definition
H	• Hub	The effective centre of an activity, region, or network.
I	• Impact	A measure of the effects or results yielded by an intervention
	• Incubation	The process of nurturing an enterprise in its early stages of development by providing it with various business development services that makes it less vulnerable to failure.
	• Innovation	The process of introducing a new or improved product, idea or method of solving a problem, whilst making a profit.
	• Interconnected System	A network of various components working together to achieve a specified objective of the system
	• Investment time horizon	The length of time money or resources remain invested before returns are realised from it.
J	• Job Creation	The process of creating opportunities for paid employment through scaling up or expansion of enterprises.
K	• Knowledge Economy	An economy centred on the creation, storing and exchange of knowledge to facilitate development of an ecosystem
	• Knowledge Repository	A physical or virtual location where knowledge can be stored for future access.
	• Knowledge systems	A system of collecting, storing, managing and using data effectively for the benefit of providing information within an ecosystem.
L	• Lease financing	A method of financing in which the provider of finance gives a business an asset whilst paying periodical payments. In some instances the business might end up buying the asset if its business performs well.
	• Letters of credit	"A letter from a bank guaranteeing that a buyer's payment to a seller will be received on time and for the correct amount such that in the event that a buyer is unable to make payment on purchase the bank pays the remaining amount in full."
M	• M4P	Making markets work for the poor
	• Mezzanine Financing	A way of financing the debt of a business in which the enterprise being financed can convert the debt financing into equity.
	• Micro-enterprises	Enterprises that have the potential to be sustainable in the long term, with most of them having an emphasis on serving the community whilst focusing on long term sustainability
P	• PAP	An incubator programme for fledging businesses under 2 years in operation, requiring foundational training in business development.
	• PAP+	An accelerator program designed to further capacitate and scale an established and profitable small to medium sized enterprise that are above 2 years in operation, with a track record.
	• Political economy	The study of the way in which a government influences or organizes the nation's wealth
	• Primary Research	The first hand collection of data, in order to investigate specific questions raised by the individual or organisation collecting it. In enterprise development it is done at the field study stage of context mapping.
	• Project Management	The process of planning, executing, monitoring, controlling, evaluating an intervention in order to achieve its intended objectives
	• PSD	Private Sector Development

9.1 Glossary

	Word	Definition
R	 RACI Matrix	An acronym standing for responsible, accountable, consulted and informed. It is a chart showing all activities or decision making authorities undertaken in an organisation set against all the people or roles.
	 Resilient Communities	Enterprises run in a rural community seeking to establish sustainable livelihoods initiatives for themselves
	 Revolving Fund	An account that is set up to finance a particular operation or project continually, and is constantly replenished from other income sources so that it is consistently and continually available to fund the specified objectives or operations.
	 Role modelling	The process of connecting young enterprises with captains of industry so that they get advice.
	 Root cause analysis	A problem solving technique used to analyse a problem by identifying its root causes
S	 Scalable Enterprises	These are enterprises that have the potential to scale and create decent jobs primarily through manufacturing
	 Secondary research	The process of gathering information collected by other researchers or organisations so as to apply it to your environmental scanning process during the desk research stage of context mapping.
	 Self-Care	A personal development process in which an entrepreneur develops their self-leadership skills, by improving their strengths and managing their weaknesses.
	 Smart Finance	The process of financing enterprises that have undergone acceleration based on their performance and potential to create value over time
	 Sustainability	This is the ability of an enterprise to continue realising benefits of the business for an extended period of time after the initial investment.
T	 TOR	Terms of references
	 Trade Investors	Companies which hold shares in other companies
V	 Venture capital	Investment funds that manage the money of investors seeking private equity in start- up businesses with growth potential
W	 WBS	A chart in which all tasks involved in a project are shown, and their relationship to each other and to the project as a whole, is portrayed.

NB:

-  **Red** - Adapted from the E.D Guide definitions
-  **Green** - Obtained from the internet
-  **Blue** - Adapted from internet definitions

9.2 List of Tables & Figures

Table	Page	Description
1	19	World Bank Ease of Doing Business Ranking (Select African Countries Comparative Analysis)
2	25	Developmental Process of Economies
3	37	Four Drivers or Investors of Enterprise Development
4	38	Context Mapping
5	61	Selection Criteria
6	63	Enterprise Acceleration Process Summary (PAP+)
7	66	Enterprise Level Investment (Scalable, Micro-enterprises and Resilient Communities)
8	74	Project Life Cycle Approach
9	76	Reporting Cycles

Figure	Page	Description
1	24	Developmental Process of Economies
2	28	Ecosystem Development
3	29	Developmental Process of Economies
4	32	Stimulus Africa Theory of Change
5	35	Stimulus Africa - Enterprise Development Model
6	36	Strategic Framework for Enterprise Development
7	44	Drivers of Productivity
8	45	Enterprise Ecosystem Design
9	45	Types of Enterprise Ecosystems
10	54	Resilient Communities' Intervention Cycle
11	55	Micro Enterprise Intervention Cycle
12	57	Scalable Enterprises Developmental Critical Path Process
13	57	Stimulus Enterprise Development Levels Defined
14	60	PAP Business Modelling Process Highlights
15	65	Sustainable Impact Matrix
16	67	Fambai Lending Process
17	68	PAP PLUS+ Investment Horizon
18	69	Smart Financing Vehicles
19	70	Multi-level Desired Impact of Smart Financing
20	75	Governance and Reporting Framework for Project Delivery
21	78	Intervention Process Overview

9.3 Author Profiles



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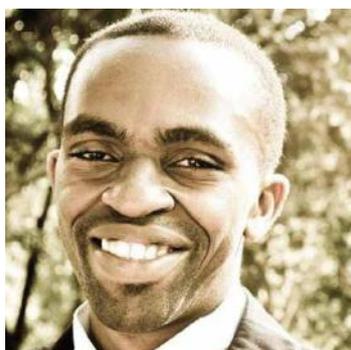
Rudo is a lawyer by profession and enterprise development practitioner working in private sector and in the development sector with over ten years of experience. Rudo founded and is the executive director of Stimulus Africa, an enterprise development and business services consulting firm. She is a mentor and teaches the Stimulus PAP business modelling programme which she developed. She is also the founder of an initiative called Choose Women: Buy Local that promotes and creates market linkages for women-owned enterprises. Rudo has an interest in policy advocacy for private sector development and is an alumni and fellow of the Mandela Washington Fellowship for Young African Leaders (YALI). Rudo holds an LLB (Hons) degree in Law from the University of the West of England (UK).



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Ecosystem development through building relationships and creating common shared experiences for out of school adolescent girls and young women in Mbire District under the No to Child Marriage-Education First Project.

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