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Toward an Ecosystem for Early-Stage Incubation of Social Enterprises in East Africa

Conference preparation, review, outcomes & next steps

Facilitated & prepared by Open Capital Advisors

With thanks to the group of organizers shown at the top of this page, and special thanks to the Office of Innovation and Development Alliances at USAID for their financial and non-financial support throughout the preparation, execution, and eventual implementation of this workshop & our initiatives,

- The East African Social Enterprise community (especially those who are early-stage)

Introduction

Here we summarize a workshop held in Nairobi December 4-6, 2012. Stakeholders from across the early-stage enterprise ecosystem convened to identify & design high-leverage initiatives that could strengthen support for enterprises through development stages to achieve scale and build sustainably in order to provide broad solutions for large, disadvantaged populations. See Appendix 2 for how we define “social enterprise” broadly.

Participants from more than 40 organizations active in East Africa represented perspectives ranging from academia, impact investors, NGOs, social entrepreneurs, banks, industry organizations, commercial investors, corporations, service providers, and the donor community. Over the course of three days, we identified three high-potential initiatives with broad industry support that we believe will not only catalyze additional investment into the space, but help support strong, successful social enterprises with the potential to improve the lives of millions living at the base of the pyramid across East Africa.

Motivation

High-impact, growing businesses can stimulate economic growth and innovation and, with the right support, have the potential to scale and generate economic opportunities that increase the welfare of millions of people. While the volume of “impact investment” capital in developing countries has grown rapidly in recent years, promising opportunities ready for investment are still all too rare.

Developing an ecosystem to support early-stage enterprise growth is a challenge at the frontier of development aid, private philanthropy, and impact investing, all of which struggle to find social enterprises with the potential to scale sustainably. Social entrepreneurs struggle to access finance, face capital that is inappropriately structured for their needs, lack adequately talented employees to drive growth, implement poor governance practices without understanding long-term implications, and find it difficult to access markets, especially those with consumers and suppliers at the base of the pyramid (BoP). These questions must be answered before any investment is possible.

Many key players from the impact investing, social enterprise, aid, philanthropic, academic and NGO communities believe there is a need for a stronger ecosystem to support these entrepreneurs. Recent research and pilot initiatives to better understand this “pioneer gap” identified by the Monitor Institute-Acumen Fund study, “From Blueprint to Scale: The Case for Philanthropy in Impact” as the critical gap in early stage support of promising inclusive businesses to help them develop, validate and establish new business models and new markets to serve the BoP. Initial results confirm the importance of early-stage development and the need for organized mechanisms to shoulder the cost and risk of this critical phase. The aid and philanthropic communities, in conjunction with impact investors, have the opportunity to play a critical role in building ecosystems that foster and structure viable, investment-ready opportunities.

The objective of the workshop was to foster a forum that would deepen participants’ understanding of the social enterprise ecosystem in East Africa, identify actionable ideas & initiatives to address key unmet needs, gaps and challenges in the growth of early stage social enterprises, and lastly, seed potential partnerships to start to identify ways to work together on these initiatives.

Outcomes

1. **Create a leadership training environment-** This initiative will develop two themes; the first to attract top university graduates and the second to train middle management talent. Together, the working group identified a need to raise the profile of the social enterprise & impact investing space to make these opportunities attractive to top talent, reducing the stigma of entrepreneurialism. Social enterprises find it difficult to scale because talent able to manage complex operations and strategy is

difficult to find extremely expensive for local talent. While the founding team knows their product, service or technology, they often struggle to manage the business side. Specific elements will include:

- a) *Student employment*: Fund competitive salary similar to for-profit packages from KCB, Equity and US-based donations from Harvard, Stanford to allow top students to work with social enterprises
- b) *Middle management training*: Map programs available to build leadership & business skills; partner with professors championing this cause and extend programs (e.g. ANDE training)

II. *Aggregate & Disseminate available information*- This initiative will disseminate information already available to support entrepreneurs in East Africa. Several prior initiatives have developed content to support both social entrepreneurs and impact investors, but most entrepreneurs are not aware of it, especially outside the major metro area of Nairobi. Even within actors in the eco-system, many were not aware of current initiatives and active organizations in East Africa. Specifically, we will:

- a) *Create “first draft” eco-system map* of resources available; distribute open source through ANDE
- b) *Develop entrepreneur tough questions list* to supplement existing “start-a-business” resources with difficult questions all investors will ask. Build investor buy-in to commit to using this to filter. This will help separate good ideas from mediocre ones and build a solid founding team
- c) *Launch entrepreneur road show* presented by local entrepreneurs to disseminate tough questions list and other information to entrepreneurs across East Africa

III. *Catalyze support for investible social entrepreneurs through accelerator-like models* Accelerator programs today struggle to invest sufficient financial and non-financial resources in their portfolio companies. Preparing enterprises for later-stage investment requires programs to have significant working capital & time. This initiative will develop seed funding and technical support for accelerators, allowing them to invest directly in social enterprises and prepare them for later-stage capital:

- a) *Explore existing accelerator funding models* to identify learnings from other regions and models and develop a series of possible accelerator models to be evaluated for effectiveness in the East African context
- b) *Leverage accelerator-like models to provide holistic support* to a large number of social entrepreneurs
- c) *Develop & improve accelerator-like program diligence* by providing selection criteria for entrants suitable for later funding; ensure there is adequate on-going accelerator monitoring.

Next steps

Over the next six months, Open Capital Advisors will collaborate with participants identified at the workshop and others to develop a concept notes for each initiative. Starting January 2013, the working groups will organize continued collaboration through conference calls and in-person meetings where possible. We will focus on actionable results and next steps to build consensus and focus on innovative new ideas supported by stakeholders from across the eco-system. These concept notes will be circulated to potential actors, supporters and funders in the coming months.

For more details and to get involved, please contact Annie Roberts, a Partner at Open Capital Advisors in Nairobi at contact@opencapitaladvisors.com.



Appendix 1: Rationale

High-impact, growing businesses can stimulate economic growth and innovation and, with the right support, have the potential to scale and generate economic opportunities that increase the welfare of millions of people. While the volume of “impact investment” capital in developing countries has grown rapidly in recent years, promising opportunities ready for investment are still all too rare.

Many SGB (small & growing business) investors are unwilling to make early stage investments for three reasons 1) SGBs have a significantly shorter track record of success, increasing uncertainty about the organization’s ability to respond to both successes and challenges; 2) SGBs can often absorb only a small amount of capital, increasing transaction costs as a percentage of the deal size; and 3) SGBs often require significant mentorship and oversight as they have less operating experience. There are few precedents for early stage investments which means perceived risk is even higher. Early stage social enterprises generally rely on investment from friends, family and angel investors to launch; sources which are often unable to help these enterprises formalize and scale. In Kenya, the challenge for most social enterprises with a proven business concept is moving beyond seed stage to growth stage - scaling up quickly and successfully.

Through this workshop, we explored the following questions to push toward an ecosystem that enables early stage businesses to operate, grow, and scale:

1. What is needed to strengthen the ecosystem in East Africa for early-stage incubation of social enterprises?
2. What is the context and what are the key gaps / needs, including knowledge sharing, syndication of funding, incubators, etc.?
3. What are collective / coordinated solutions that could be taken in order to support the development of the ecosystem?

East Africa boasts a strong community of stakeholders including social entrepreneurs, impact investors, corporations, academics and policymakers. To begin the discussion, and the workshop held in Nairobi, in this document we will review both existing research on what is necessary for early-stage enterprise success as well as existing initiatives that support enterprises at this stage of the organizational lifecycle.

At the workshop itself, we worked together as a group to define high-leverage initiatives that have the potential to increase the number of early-stage enterprises and support those that already exist to achieve growth and scale:

Day 1: Review the current landscape & gaps in order to map the ecosystem as a group and outline a vision for East Africa’s overall Early Stage Ecosystem by lifecycle stage

Day 2: Define high-leverage initiatives around specific lifecycle stages focused on pre-pilot, post-revenue and scale-up lifecycle stages and re-group around specific initiatives of interest

Day 3: Report break-out findings for each high-leverage initiative back to the plenary group

Appendix 2: Definition for Target “Social Enterprise”

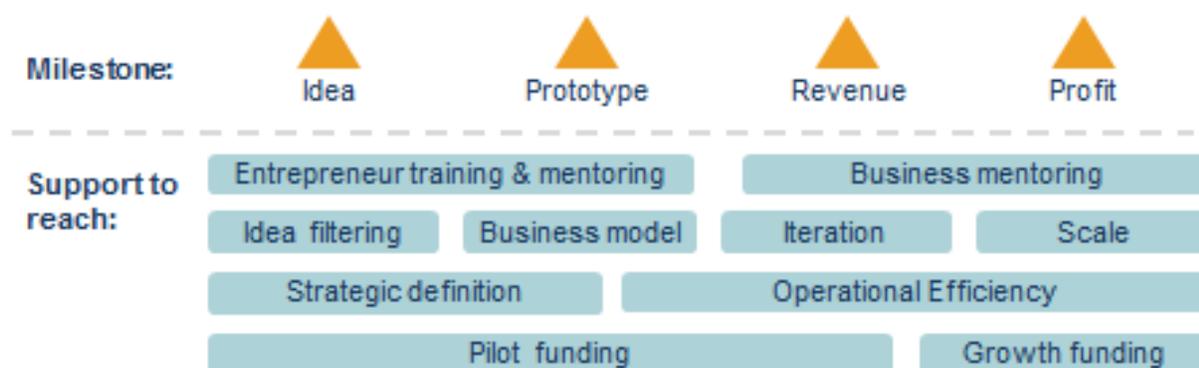
In our collective work across regions and sectors, we have seen a number of potential definitions for the phrase “social enterprise.” Beyond companies that self-identify, we have also seen a number of enterprises that most marketplace actors would consider to qualify as social enterprises because of their supplier and/or customer models in addition to their impact on economic development metrics like job creation, total GDP growth, and employee development.

For the purpose of this workshop, we would like to expand the definition to include three primary groups in our definition of “social enterprise”:

Existing Small and Growing Businesses (SGBs)	Entrepreneurs operating informally, beyond micro	Opportunities from market-based development programs
<ol style="list-style-type: none"> 1. Create jobs 2. Build employee skills 3. Access base of the pyramid as customers, suppliers 4. Drive economic growth 	<ol style="list-style-type: none"> 1. Provide family income 2. Drive up to 70% of businesses, primarily service 3. Access base of the pyramid as customers, suppliers 	<ol style="list-style-type: none"> 1. Scale previously dependent initiatives sustainably 2. Leverage large philanthropic resources 3. Provide alternative services

Social enterprise examples in Kenya, as we would define them, include Juhudi Kilimo, Miliki Afya, Honey Care Africa, One Acre Fund, and Bridge International, among many others.

We would also like to define the “early-stage” aspect to focus on enterprises that have yet to achieve profitability on their path to sustainability & scale. Before enterprises have reached specific milestones, they require alternative forms of support which includes both capacity building and funding, some of which we have outlined below. Once enterprises reach profitability, we would consider them to be past “early stage” even if they are still high-risk for operating in emerging markets. However, we believe that we should still consider businesses that are post-revenue but pre-profit in this discussion as this is often one of the key stumbling blocks where early-stage enterprises struggle to raise sufficient capital.



These pre-profit enterprises often struggle as time is their most valuable resource – with considerable monthly expenses, these enterprises burn through cash as they try to find sufficient funding to achieve profitability. These entrepreneurs risk spoiling the market with limited entry, exposing their idea to more mature competitors, and losing top talent if they are unable to make salaries without sufficient funds.

Appendix 3: Existing Research on Support for Early-Stage Social Enterprises

Current research in the impact investing space examines both capital structures required for early stage enterprises as well as the role of co-investors.

The Monitor Institute & Acumen Fund study, “From Blueprint to Scale: The Case for Philanthropy in Impact” identifies the four stages of the pioneer firm’s journey as:



1. Blueprint - Entrepreneurs need to develop the blueprint for the future business, innovative ideas and solutions aimed at meeting the needs of the poor. Key needs at this stage include innovation capability, strategy development and business planning, talent networks and seed funding. However, in East Africa often entrepreneurs have limited experience, understanding and skills to develop a product or technical proof of concept.

2. Validate - Testing and refining the business model requires doing activities that operationalize the model, focus on value and pricing, innovation capability. The entrepreneur requires funds to facilitate market trials and refinement.

3. Prepare - Enhancing the conditions required for scaling sustainably. At this stage the entrepreneur needs to develop a marketing strategy and plan its execution, design supply chain and systems and processes. To do these they need talent and networks, funds for marketing, supply chain, fixed assets and inventory.

4. Scale - Rolling out the model to reach large numbers of customers and/or suppliers and increase profits/returns. The key needs are a competitive strategy, realizing scale efficiencies, risk management and formalization of impact standards and expectations and again, funds to support expansion.

Beyond thinking through the phases of early-stage development, a recent Santa Clara University study examines the potential role horizontal capital integration plays within the impact sector. Horizontal integration refers to how co-investors work together when disbursing on a similar time frame. “A new approach to investing in Small and Growing Businesses: An Examination of Impact Investors and Phased Investing for the Launch and Growth of Social Enterprises” shows that the nature of market inefficiencies and inherent social challenges of the developing world hinder independent impact investing and results that would otherwise extend the scope or scale of impact. This approach recommends syndicating multiple phases of development in an SGB, rather than at a single moment in time. This is primarily because early stage enterprises have capital needs that grow and change rapidly over time, meaning there must be tight integration between the investors and the management team.

Different players with alternative capital structures are required for the infrastructure, capacity development, and business development phases. The accomplishments and milestones demonstrated in these phases are needed before the enterprise can convince growth stage investors that it is ready for explosive growth. Their work suggests that social enterprises would benefit from network effects an ecosystem that can aggregate capital and cluster innovations into denser networks of shared information, knowledge, resources, and capabilities.

Weak / non-existent linkages cause the system to suffer - the ecosystem cannot be as effective in enabling innovative entrepreneurship. Research by infoDev shows that effective coupling of innovation and entrepreneurship requires an ecosystem with active strong linkages between financiers, academia, policy makers and the business community. We create an initial map of the types of actors in the impact investing community below, all of which are critical for the enterprise's success.

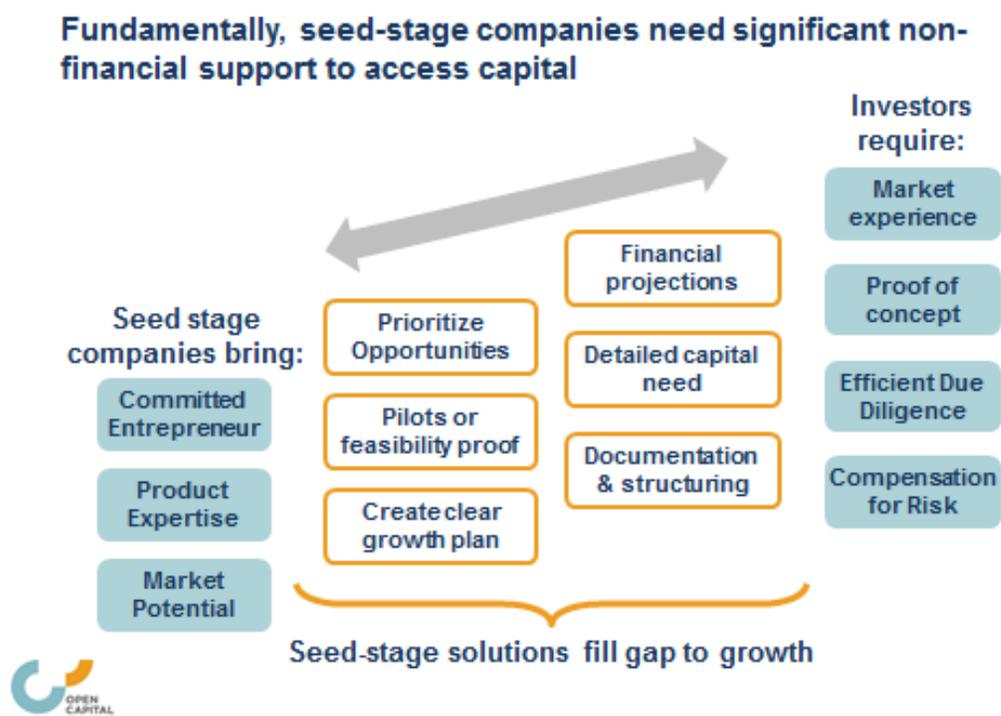


Source: Harji and Jackson (2012)

Appendix 4: Challenges Facing Social Enterprises and Existing Efforts (if any) to Address Them

According to ANDE's SGB Background Analysis report in 2008, market failures and inefficiencies constraining the growth of social enterprises include:

- Information asymmetries caused by limited transparency, lack of audited financial statements, inability to provide collateral & limited third party credit scoring information available; e.g. no financial systems
- High transaction costs exacerbated by higher fixed costs on per-unit basis driven by smaller investment size & information asymmetries which can further increase overall company costs; e.g. monitoring
- Inefficiencies in complementary markets as a result of limited track records (which are often required for SGBs to be eligible for commercial investment) & lack of local markets (such as finance, services) to support growth.



Common challenges we see include:

1. Limited finance, or finance that is difficult or time-consuming to access

Despite the growth in number and size of SME-oriented funds, there are very few seed-stage investments from Venture Capital/PE funds that can support investment ticket sizes below \$500K. Generally, it is considered to be as expensive to support lower-ticket size investments as higher-ticket ones, and these smaller organizations usually need even more considerable levels of non-financial support as shown above.

Rockefeller foundation's report "Accelerating Impact" indicates that despite the overall significant acceleration of commitments towards capital investments there is large variation in where capital is deployed relative to where it is needed, a mismatch between the type of capital being offered and the demand for this capital, and a large pool of financial assets that have yet to be tapped for impact investing. The lack of capital flow from investors constrains the rate of scaling, even when the SGB has a strong business model, appropriate technology solutions, and strong business partners to help drive adoption. Examples of finance initiatives in this smaller ticket space include:

Root Capital	It is a non-profit social investment fund that provides debt capital for grass root businesses in rural areas of developing countries. It provides capital, delivers financial training and strengthens market connections for businesses that build sustainable livelihoods and transform rural communities in poor, environmentally vulnerable places. Root Capital's lending is directed towards businesses that are too big for microfinance, but generally unable to secure credit from conventional commercial banks – “the missing middle” of developing-world finance. Source: http://www.rootcapital.org/
ResponsAbility	It provides commercial finance to organizations and initiatives that give people at the base of the pyramid access to services, markets, products and information. Source: www.schwabfound.org/pdf/schwabfound/SocialInvestmentManual.pdf
Grassroots Business Initiative (GBI)	GBI's business model offers a blend of capital with business development services (through grant-funded technical assistance) so that companies can improve and scale-up their operations, achieve sustainability, and eventually attract private-sector investors. GBF foregoes financial returns in the short term therefore giving entrepreneurs time and money to scale and replicate the business. They ignore the return expectations and time horizons of traditional capital. Source: www.schwabfound.org/pdf/schwabfound/SocialInvestmentManual.pdf

2. Difficulty in attracting managerial and middle management talent

Unfortunately, the founder(s) of a social enterprise is often not the right person to lead a growing organization. Business issues become more complex and challenging requiring experience, skills & talent that the founders may not have or where they do, they cannot handle alone. Hiring the right team of people to run the business has proven difficult because such skill & talent is not readily available and does not come cheap. Early stage social enterprises often cannot attract the same amount and level of talent as other businesses can, or must rely on foreign volunteers who are unable to

Enablis	Enablis supports entrepreneurs through a membership program and an international mentorship program. This network allows enterprise leaders to exchange ideas on in-house training and potential recruits, along with other key business topics such as active tenders, member networking, and fundraising resources.
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3. Limited capacity development support

SGBs cannot grow without access to non-financial support for significant periods of time according to the development cycle, as illustrated above. Unfortunately SGBs often struggle to afford high-quality services, while injecting low-quality services often has mixed results especially in areas of strategic prioritization, new market growth and sales development.

ANDE's Capacity development fund	The Aspen Network of Development Entrepreneurs (ANDE), among other activities, administers a Capacity Development Fund from which they disburse grants to members in order to strengthen their capacity and encourage innovation and collaboration to support intermediaries including a number of on-going initiatives to understand the impact of small & growing businesses. To date they have made \$1.7 million in grants through three rounds of funding. Source: http://www.aspeninstitute.org/policy-work/aspen-network-development-entrepreneurs
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4. Poor governance practice

Early stage social enterprises have increasing appreciation for the role of the board as the organization

matures and becomes a more effective enterprise. It is important that the board members are involved in the strategic part of the business model.

ANDE's Corporate Governance Toolkit	Created through a Capacity Development Fund grant described above, ANDE provides an open-source toolkit called "Strengthening SMEs" on corporate governance that provides an introduction to key management topics such as transparency, business control structures like a Company Board Source: http://www.aspeninstitute.org/sites/default/files/content/docs/pubs/SMEs.pdf
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5. Limited access to markets

Without financing for consumers, distributors and suppliers, enterprises struggle to match working capital needs. The revenue growth needed to scale can only come from increasing numbers of customers or transactions per customer, or increasing market share. Without an ecosystem that fosters such financing in a capital constrained market, social enterprises suffer.

Jenkins and Ishikawa, 2010 concurred that low-income customers are often low-margin markets, which must be served in high volumes for a business model to be sustainable in their report on "Scaling up Inclusive Business"¹.

6. Lack of transparency and credibility in impact measurement & reporting

Unfortunately, in today's world, it is easy to make large assumptions about indirect beneficiaries and estimates of impact. These numbers are difficult to trace, hard to verify, and often easy to circumvent by moving "actor" beneficiaries from project audit region to another. Impact reporting that is done often varies significantly across measurement techniques where there are a variety of competing platforms for measurement.

IRIS	In 2008 The Rockefeller Foundation, Acumen Fund and B Lab initiated the development of Impact Reporting and Investment standards (IRIS). These are a set of standardized metrics that can be used to describe an organization's social, environmental, and financial performance. Creating a common framework for defining and reporting the performance of impact capital made it possible for stakeholders in the impact investing space to evaluate returns, produce industry-wide benchmarks and support related analysis. In late 2009, IRIS became an initiative of the Global Impact Investing Network, an industry group whose mission is to increase the scale and effectiveness of impact investing. Sourced from http://iris.thegiin.org
GIIRS	The Global Impact Investing Ratings System (GIIRS) assesses the social and environmental impact of companies and funds using a ratings approach analogous to Morningstar investment rankings or S&P credit risk ratings. Company rating is based on social & environmental impact and fund impact rating is based on aggregated & weighted impact ratings of its portfolio companies' ratings, each with current and historical analyses. GIIRS also provides ratings for developed and emerging markets globally, social and environmental performance metrics and key performance indicators specific to different industries, impact areas, and investor preferences. Sourced from http://giirs.org/

¹ "An inclusive business seeks to contribute towards poverty alleviation by including lower-income communities within its value chain while not losing sight of the ultimate goal of business, which is to generate profits."

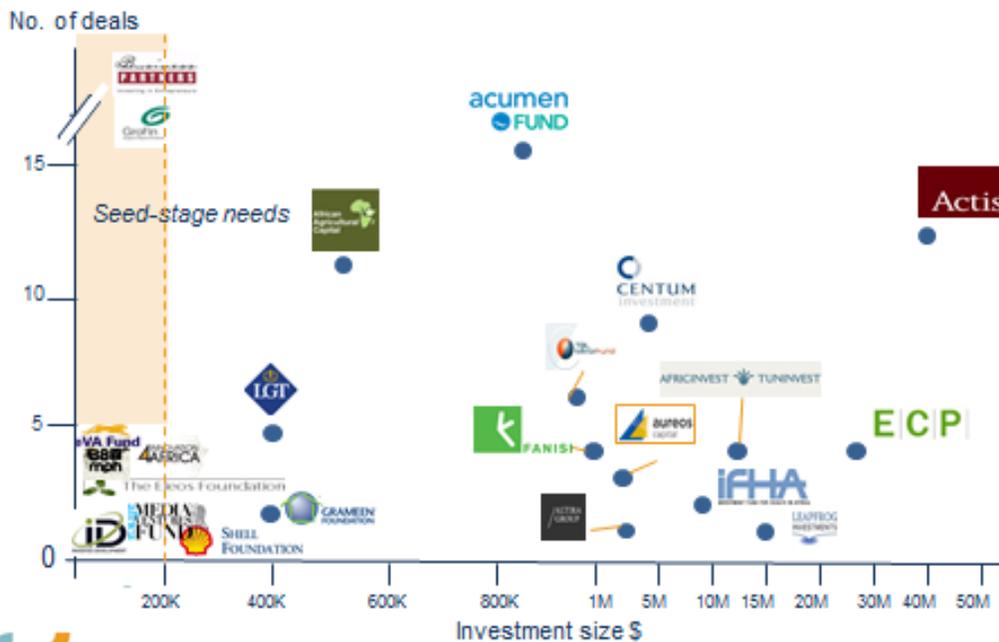
Appendix 5: Existing Initiatives within the Early Stage Eco-System

According to Open Capital Advisors estimates, more than \$600M was raised by more than 50 funds targeting SME investments in 2011 alone. However, many of these funds struggle to disburse funds raised.



In addition, most funds are not investing in early stage deals in East Africa:

Today's entrepreneurs do not have many options for small raises



As Randall Kempner of ANDE asked in the Huffington Post on 13 November 2012, “are there enough businesses out there that are working to address these issues AND that have the capacity to take on the type of capital that Impact Investors are offering?”

Successful international models such as those in Silicon Valley, Europe and India have proven the potential of early stage business to realize significant returns. Incubators in East Africa today typically fall under six business models:

- 1. Traditional incubators** - Generally provide working space with basic tech needs like internet. Provide basic, general mentorship, training, or specific curricula. They tend to seek breadth over depth and provide valuable networking opportunities for incubatees. The challenge with this type of model is that training for social enterprises is not necessarily targeted at specific needs of enterprise. Examples include iHub, Nailab, mlab, Village Capital, IFC SME Solutions Centre, etc.
- 2. Business Plan competitions** - These spur innovation, access to capital and create pipeline for sourcing potential investments. The contests invite entrepreneurs to submit business plans so as to find the best innovative business concept. Sometimes, prizes usually have pre-conditions that end up excluding early stage businesses and typically they don't offer additional services to prepare companies for follow-on investment like coaching, training, mentorship or sustainable solutions. Examples include the African Enterprise Challenge Fund, Bid network, etc.
- 3. Matchmakers** - These fill the gap between early stage companies and investors with limited access to company information. They focus on connecting investors with many potential companies, but generally are not able to provide tailored support services and cannot invest in supporting the company through diligence hence average quality of deal flow is low. Examples include Nexii, BidNetwork and KSix.
- 4. Service incubators** - Focus on offering more incubation services on fewer incubatees at any given time. Services are tailored to company needs and they typically offer TA & targeted mentorship not according to specific timeframe as much as to completion of specific milestones. Some do not necessarily require equity in exchange for their services. Examples include The Eleos Foundation, World Bank's Development Marketplace Initiatives, etc.
- 5. Incubators with small investments** - This is a blended model combining seed capital and tailored support services that are usually provided in-house. This business model is similar to that of Y Combinator in the US. It often focuses on specific sectors and takes equity in exchange for services. Services offered can include space, mentorship, and administration support. Active services generally provided over 3-6 month time period and the program culminates in investor pitch opportunities. For some the incubatee remains alumni of group in some capacity. Examples include 88mph, Savannah fund, Sinapis, World Bank CIC, MEST, GrowthHub as part of Village Capital, etc.
- 6. Associations** - These provide a platform or forum for entrepreneurs & intermediaries to learn from each other and network with investors. Examples include ANDE, Enablis, Endeavor [not present in East Africa], etc.

Appendix 6: Workshop methodology

The objective of the workshop was to foster a forum that would deepen participants' understanding of the social enterprise ecosystem in East Africa, identify actionable ideas & initiatives to address key unmet needs, gaps and challenges in early stage incubation and lastly, seed potential partnerships to start to identify ways to work together on these initiatives. We believe this is a replicable model to gain stakeholder alignment in other geographies.

The workshop was designed to bring together participants representing organizations with the convening power, resources and capacities to initiate this process of strengthening the ecosystem. Participants included academia, investors, industry associations, NGOs development organizations, corporations, incubators, technical assistance providers and social enterprises.

Through this workshop, we worked together to explore the following questions to push toward an ecosystem that enables early stage businesses to operate, grow, and scale:

1. What is needed to strengthen the ecosystem for early-stage incubation of social enterprises?
2. What is the context and what are the key gaps / needs, including knowledge sharing, syndication of funding, incubators, etc.?
3. What are collective / coordinated solutions that could be taken in order to support the development of the ecosystem?

The workshop was designed to be action-oriented, participatory, with a clear focus and regional scope. Workshop participants were carefully chosen to represent decision-makers from their organizations, limited to a total of 40 organizations and 55 participants. A slightly smaller size may have facilitated better connections between workshop participants – we suggest a maximum of 40 participants representing 30-35 organizations.

Day 1: We reviewed the current landscape & gaps in order to map the ecosystem as a group and outlined a vision for East Africa's overall Early Stage Ecosystem by lifecycle stage

Day 2: We defined high-leverage initiatives around specific lifecycle stages focused on pre-prototype, pre-revenue and pre-profit lifecycle stages

Day 3: We had participants re-group around specific initiatives of interest and work on action plans, report break-out findings for each high-leverage initiative back to the plenary group

Day 1: Problem definition and Review of current research

Our mission on the first day was to build the foundation: define the problem and understand current initiatives and research underway. To facilitate this, we began with an overview of the current landscape to lay the groundwork for the workshop and set the tone for the day including a discussion about the current ecosystem, increasing interests, challenges & macro issues facing Entrepreneurs and Investors, review of a case study and a discussion of the key questions that the workshop seeks to address. Similarly, to spur this purpose we circulated pre-read materials to attendees prior to the conference.

Eco-system mapping exercise: In three groups participants mapped out the early stage social enterprise "ecosystem" as it exists today. The purpose of this activity was to identify existing categories and sub-categories of stakeholders in the ecosystem, key linkages (and whether these were working well or not) and lastly, identify key gaps in the ecosystem.

In the visioning session participants broke out into three sections for mini-panel discussions from different

local players across the eco-system. Seven organizations led discussions around their activities, challenges, lessons learned and forward looking ideas. Participants then worked in the same groups to articulate their vision for the future and set the tone for the following two days.

Day 2: Ideation and Feedback (“A walk in her shoes”)

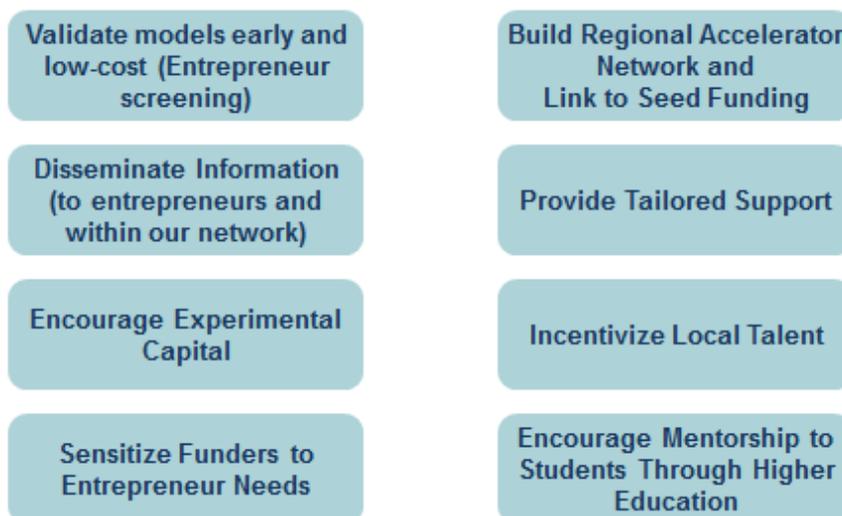
To enable more focused discussions in the second & third day, participants worked in small groups in “an entrepreneur’s shoes” i.e. brainstorm by playing the role of an entrepreneur.

In small teams attendees brainstormed key challenges & needs for entrepreneurs at their lifecycle stage, and define high-leverage initiatives that would address them. The small teams then met in breakout rooms with other teams at their lifecycle stage to present challenges & initiatives to the group and lastly group similar ideas across teams. Following this, the groups iterated over the best initiatives for their lifecycle stage. Participants worked in teams of three so that when they presented back to the lifecycle stage groups, no individual person would feel like they “own” the ideas and instead, these would belong to the group. Also, each individual would feel like they’d had sufficient time to contribute meaningfully to the initiative development.

The last session was a rotation & feedback process. Each group was asked to rotate through the other 2 lifecycle stages to listen to ideas and give feedback as well as identify initiatives which cut across lifecycle stages. The goal was 30 minutes per rotation, with the final rotation bringing an entire group back together in their original room for presenters to explain feedback and to iterate over initiatives based on crosscutting ideas identified. Finally, the 3 groups presented each initiative and challenge(s) it addressed to the plenary. The feedback rotations were done so that everyone would feel familiar with all initiatives before going into the main group/plenary discussions.

Day 3: Identification of challenges & high leverage initiatives

Collectively, over 15 initiatives were developed for all the life cycle stages by the three groups. Each group presented their initiatives & challenges addressed to the plenary. This exercise revealed to us that as each group presented, the initiatives identified either cut across more than one lifecycle stage or were similar to another group’s. Therefore, initiatives developed in day 2 were grouped along similar themes for selection in the following day:



Appendix 7: Workshop Participant Organizations

Represented Organizations

Accion Venture Lab	Intel
Acumen Fund	InvesteQ Capital
African Centre for technology studies	Juhudi Kilimo
African Development Bank	Kauffman Foundation
ANDE	Kenya Feed the Future Innovation Engine
Angels Initiative Uganda	Kuramo Capital
Ashoka	Lemelson Foundation
CARE International	LGTVP
East Africa Private Equity Association	Lundin Foundation
East Africa Social Enterprise Network	MercyCorps
Equity Bank	Nestle
Farm Africa	One Acre Fund
Federation of Women Entrepreneurs	Open Capital Advisors
FSD Kenya	Rockefeller Foundation
Global Catalyst	Santa Clara University
Grand Challenges Canada	Savannah East Africa
Grassroots Business Fund	Sinapis Group
GroFin	TechnoServe
GrowthAfrica	USAID
ICS Africa	Village Capital
IDEV International	WEDCO

Appendix 8: References & Further Reading

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