



THE TONY ELUMELU
FOUNDATION
AFRICAPITALISM INSTITUTE



Unleashing Africa's Entrepreneurs: Improving the Enabling Environment for Start-ups

JULY 2015

“ Young entrepreneurs and those they inspire are the lifeblood of Africa's rise. ”

- Tony O. Elumelu, CON

As quoted in *The Economist*, "The World in 2015: The Rise of Africapitalism"

CONTENTS

The Tony Elumelu Foundation	2
The Africapitalism Institute	2
The Tony Elumelu Entrepreneurship Programme	3
Africapitalism and Entrepreneurship	4
Executive Summary	6
Background – Entrepreneurship: Africa's 21st Century Solution	11
Impact of Entrepreneurship	12
2015 – Year of the African Entrepreneur	14
Tony Elumelu Entrepreneurship Programme	16
Selection Process	16
Demographics of Applicants	17
Tony Elumelu Entrepreneurship Programme Seven Pillars	20
Meet-up Pictures	22
Tony Elumelu Entrepreneur Profiles	
Hamza Ben Arbia	23
Benedicte Mundeke Kuvuna	26
Mongezi Chief Zulu	28
Consolate Lubanga	30
James K. Mulbah	32
Survey Results	
Introduction – Entrepreneurship Constraints in Africa	34
Survey Methodology and Demographics	38
Key Findings	42
Survey 1: Developing an Enabling Environment for African Entrepreneurs 1	49
Survey 2: Developing an Enabling Environment for African Entrepreneurs 2	53
Survey 3: Incubator Survey	62
Summary Matrix	69
Focus Group Discussion	71
Recommendations	75
Biographies	82
Acknowledgements	83

THE TONY ELUMELU FOUNDATION

The Tony Elumelu Foundation is an African-based, African-funded philanthropic organization dedicated to transforming the continent through entrepreneurship.

Founded in 2010, our mission is to support entrepreneurs, and catalyse entrepreneur-led development across Africa. In doing so, we aim to promote truly pan-African institutional philanthropy.

Our guiding principle is the economic philosophy of Africapitalism, developed by our Founder, Tony O. Elumelu, CON. Africapitalism is predicated on the belief that a vibrant and competitive private sector is the key to unlocking Africa's economic potential and to creating sustained social wealth.

We implement lasting solutions which contribute directly to Africa's social and economic transformation. Our core programme areas include: the \$100 million entrepreneurship programme; entrepreneurship research and advocacy through the Africapitalism Institute; and the Tony and Awele Elumelu Legacy Prize, which recognizes African academic excellence.

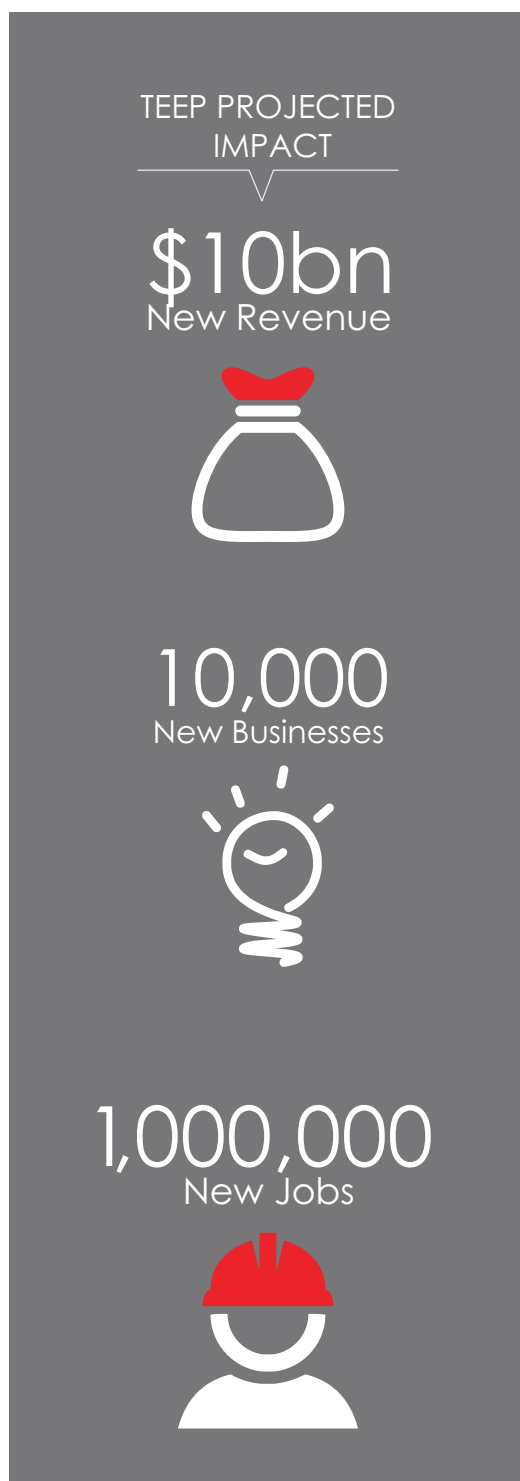
In order to achieve measurable change in Africa, the Tony Elumelu Foundation nurtures, mentors, and empowers a new generation of African entrepreneurs to build globally competitive value adding businesses that create employment, spread wealth and address intractable social challenges.



THE AFRICAPITALISM INSTITUTE

The Africapitalism Institute is a pan-African, non-profit think tank under the Tony Elumelu Foundation. We pursue our mission by carrying out academically rigorous, practically applicable research; by widely communicating new ideas, directly engaging key stakeholders, and advocating for public policies and business practices that will unlock opportunities for all Africans, especially African entrepreneurs.

Based in Lagos, Nigeria, the Institute's Africapitalism philosophy - the belief that Africa's private sector must take a leading role in driving economic and social value on the continent, and that empowering Africa's entrepreneurs is the single greatest way to ensure inclusive growth - is our Founder's vision for Africa's development.



The Tony Elumelu Entrepreneurship Programme

The Tony Elumelu Entrepreneurship Programme, launched in December 2014, is a \$100 million initiative to discover and support 10,000 African entrepreneurs over the next decade with a target of creating one million new jobs to contribute an additional \$10 billion to Africa's GDP.

The programme is the first initiative of its kind to be launched by an African philanthropic organisation and is the largest African sourced philanthropic gift targeting entrepreneurs the entrepreneurial space. This multi-year programme of training, funding, networking, and mentoring is designed to empower the next generation of African entrepreneurs.

Guiding Principles

The Tony Elumelu Entrepreneurship Programme is inspired by three guiding principles:

- The inclusive economic philosophy of Africapitalism, based on the belief that a vibrant African-led private sector is the key to unlocking Africa's economic and social potential;
- Commitment to drive African economic growth through the empowerment of African entrepreneurs; and
- To institutionalise luck by creating an environment where African entrepreneurs can get critical elements of support in the early stages of their business life.

African Entrepreneurs are the life blood of Africa

At the Tony Elumelu Foundation, we believe the biggest opportunities in the coming decade will be created by individual entrepreneurs who have truly brilliant ideas, and exhibit a passion to create innovative and often disruptive solutions to complex challenges across Africa.

What is Africapitalism?

"The future we all want for ourselves is one of our own making." – Tony O. Elumelu, CON

Africapitalism is the economic philosophy developed by our Founder and Chairman, Mr. Tony O. Elumelu, CON, and is predicated on the belief that Africa's private sector can and must play a leading role in the continent's development.

The principles of Africapitalism are:

Entrepreneurship: Unlock the power of individuals to create and grow their business ideas into successful companies

Long-term Investments: Deploy patient capital that creates greater and broader economic value as opposed to merely the extraction of resources

Strategic Sectors: Invest in sectors delivering a financial return as well as broader economic and social value – agriculture, power, healthcare, and finance

Development Dividend: Conduct investments and business activity in a manner that delivers financial returns to shareholders as well as economic and social benefit to stakeholders

Value-Added Growth: Leverage locally available human and financial capital, raw material, and other inputs that create longer, more integrated, and higher value regional supply chains

Regional Connectivity: Facilitate intra-regional commerce and trade through the development of national and cross-border physical infrastructure, and the harmonization of policies and practices

Multi-Generational Development: Focus on investments and economic growth strategies that build value for future generations

Shared Purpose: Foster collaboration between businesses, investors, governments, academia, civil society, philanthropists, and development institutions to create conditions that will empower the African private sector to thrive

Africapitalism is a call-to-action for businesses to make decisions that will increase economic and social wealth, and promote development in the communities and nations in which they operate. Such a decision will ultimately help businesses become more profitable as the communities they serve become well-off consumers, healthy and better educated employees, and even entrepreneurs who go on to become suppliers and service providers.

Africapitalism means we cannot leave the business of development up to our governments, donor countries, and philanthropic organizations alone. The private sector must be involved in the business of development.

Africapitalism and Entrepreneurship

Entrepreneurs are essential to Africa's development – many of them are already running homegrown businesses based on deep insights into local consumer demand. They also spot unique gaps in the market for specific products and services, tap into strong local networks, and often create innovative and disruptive solutions to complex challenges.

The Africapitalist approach also drives entrepreneur-led development in the following ways:

Bottom-up: Traditional development models are often top-down. Entrepreneurship is a bottom-up approach to economic growth and development, focusing on empowering the individual not just institutions.

Homegrown solutions: At the micro-level, entrepreneurship empowers individuals to decide how best to improve their own economic circumstances. At the macro-level, it is the expression of African solutions to African economic problems.

Self-reliance: Africa's large and growing population of young people means millions of new jobs need to be created each year. This demographic explosion can spell an economic boom or doom for the continent. Governments and big corporates alone cannot provide employment for the millions of young Africans entering the job market every year.

Competitiveness: Supporting entrepreneurship means creating policies that improve the enabling environment for millions of potential job creators to succeed rather than for a small number of government or private entities.

Empowerment: Entrepreneurship means Africans no longer have to find a job or be trained to be employees. Instead, it will enable our young people to create their own jobs, become employers, and take charge of their futures, instead of letting the future happen to them.

The model of Africapitalist entrepreneurialism is one that empowers individual Africans, and harnesses the power of innovation, personal initiative, hard work, and market-driven ingenuity to address previously intractable problems and change our continent forever.

Executive Summary

Unleashing Africa's Entrepreneurs: Improving the Enabling Environment for Start-ups

Introduction

This report is based on results from a series of surveys completed by African entrepreneurs in the Tony Elumelu Entrepreneurship Programme (TEEP) Network, which includes more than 20,000 members from all 54 countries in Africa. The results of the surveys were presented to various experts in banking, small and medium sized enterprise (SME), finance, business development, and economic policy, and further discussed in focus groups comprised of more than 100 entrepreneurs who participated in the surveys.

In many ways, the initial findings from the surveys, expert consultations, and focus groups mirror previous insights gained from similar efforts. However, this report is unique in that the data is drawn from more than 5,000 surveys completed by small and emerging entrepreneurs from nearly every country in Africa. Likewise, the proposed solutions included in the report are derived primarily from entrepreneurs themselves with additional suggestions from experts on African entrepreneurship, investment, and business.

Another unique aspect of this research is the way in which it will be used to effect tangible, positive changes in the enabling environment on behalf of Africa's entrepreneurs. Armed with this data and the personal experiences of emerging entrepreneurs, the Tony Elumelu Foundation's Africapitalism Institute will conduct a series of "Africapitalism Labs" in select clusters of entrepreneurial activity, engaging key stakeholders in government, business, finance, civil society, and development along with the entrepreneurs themselves, with the intent of developing practical solutions built on consensus and with a shared commitment to act.

The Tony Elumelu Entrepreneurship Programme is a 10-year, \$100 million initiative of the Tony Elumelu Foundation, and is designed to support 1,000 entrepreneurs per year with seed capital, training, mentoring, and networking. The intent of this first analysis of Africa's entrepreneurship enabling environment is to establish a baseline from which subsequent studies will be based and the data compared in order to track changes over the life of the Tony Elumelu Entrepreneurship Programme.

Africapitalism and Inclusive Growth

The last decade has been one of unprecedented socio-economic improvement across Africa. Economies are growing rapidly; foreign investment has overtaken official development assistance; democracy is spreading and maturing; the middle class continues to expand; violent conflict is becoming more and more rare; and poverty is declining. Economic growth simply for the sake of growth, however, does not necessarily – or even often – result in a sustainable, broad-based increase in prosperity. In modern times, Africa's economic growth has been overly dependent on extractive sectors dominated by foreign companies – two factors contributing to the exacerbation of wealth disparity. It is this lack of inclusiveness and the need to facilitate local value creation that underpin the philosophy of Africapitalism, which is predicated on the belief that Africa's private sector must play a leading role in the continent's more equitable creation of economic and social wealth. Through emulation of Africapitalism and empowerment of emerging entrepreneurs, the next era of economic growth and social development will be driven by Africa's enormous demographic dividend and reliance upon the talent of Africa's most precious natural resource – its people.

The Year of the African Entrepreneur

One of the core principles of Africapitalism is the need to empower African entrepreneurs, unleashing the potential of individuals to create and grow their own businesses as a way to build more diverse and resilient economies.

Recognizing entrepreneurship's importance to Africa's future, in an exclusive essay in "The World in 2015", published by *The Economist*, our Founder Tony Elumelu declared 2015 as "The Year of the African Entrepreneur". In January, the Tony Elumelu Foundation opened the groundbreaking Tony Elumelu

Entrepreneurship Programme – a pan-African initiative to identify, train, fund, network, and promote burgeoning entrepreneurs across the continent. A \$100 million, 10-year effort, Tony Elumelu Entrepreneurship Programme is unique in that it has been created, funded, and run by an African, for Africans. It is also of unprecedented scale and ambition with the goal of supporting 1,000 entrepreneurs per year for the next 10 years, resulting in at least one million new jobs and \$10 billion in additional revenue per year.

The programme provides \$5,000 in seed capital to the 1,000 selected entrepreneurs each year with the potential for an additional \$5,000 in debt or equity capital, depending on their initial success. However, even more importantly than the financial capital, the Elumelu Entrepreneurs go through a rigorous 12-week online training programme, work closely with a designated mentor, develop pan-African networks with their peers in the Tony Elumelu Entrepreneurship Programme, and receive additional hands-on training during a two-day Bootcamp in Lagos, Nigeria, concluded on July 11-12, 2015. Following completion of the formal programme, the entrepreneurs stay connected to the programme and to each other through their lifetime membership in the Tony Elumelu Entrepreneurship Programme Alumni Network.

Assessing Africa's Entrepreneurial Ecosystem

The Tony Elumelu Foundation recognizes that one of the key challenges facing Africa's entrepreneurs is the state of the overall enabling environment in which they operate. Therefore, in addition to providing direct support to select African entrepreneurs, the Foundation's policy research and advocacy arm – the Africapitalism Institute – is engaging the 20,000 members of the Tony Elumelu Entrepreneurship Programme Network to ascertain the key challenges they face, and developing solutions to improve their competitiveness.

In order to better understand these challenges and develop potential solutions, the Africapitalism Institute conducted a comprehensive analysis of Africa's entrepreneurial ecosystem based on three unique surveys. The first survey posed a series of broad questions to the 20,000 African entrepreneurs from all 54 African countries in the Tony Elumelu Entrepreneurship Programme Network about the conditions in their respective enabling environments. Building off the results, a second, more in-depth survey was deployed to the Tony Elumelu Entrepreneurship Programme Network in order to develop a more granular understanding of the issues that emerged from the first survey. A third and final survey was sent to the more than 100 start-up incubators and business accelerators present in 26 different African countries to gain an understanding of the role they play in the entrepreneurial ecosystem.

Following the completion of the surveys, the results were presented to leading practitioners in banking, SME finance, business development, and economic policy to discuss solutions to the challenges identified. Also, during the Tony Elumelu Entrepreneurship Programme's Bootcamp, two focus groups with a representative sample of 100 of the 1,000 entrepreneurs participating in the event were conducted. Participants were from more than 20 countries and with businesses in all the key sectors represented in this inaugural class of Elumelu Entrepreneurs including agriculture, fashion, information communication technology, consumer goods, education and training, and media and entertainment. During these sessions, the pan-African group engaged in a discussion about the enabling environment conditions they are contending with in their home countries and provided their suggestions as to what changes need to be made.

Key Findings from the Surveys on African Entrepreneurship

The structure and scope of the Tony Elumelu Entrepreneurship Programme and the number of applicants from across the continent representing a wide-range of sectors provided the Foundation's Africapitalism Institute with an incredibly rich and diverse data set from which to draw insight. The combined response rate from the two surveys sent to the more than 20,000 African entrepreneurs yielded roughly 5,000 completed surveys and 3,500 individual comments, making it the one of the largest and most diverse data sets on emerging African entrepreneurship from the perspective of the entrepreneurs themselves.

Both surveys posed a series of questions to African entrepreneurs on a range of issues related to the process and costs associated with starting and running a business, including how easy it is to register a new company, gaining access to early-stage financing, the cost of core inputs like power and land, the impact of taxes and regulation, resolution of contract disputes, and how easy it is to find employees with the right skills, among others. The analysis of data from the African entrepreneurs was supplemented with the results from the survey of more than 100 start-up accelerators and business incubators in 26 different African countries, which achieved a 25 percent response rate. The emphasis of the incubator/accelerator survey was on the kinds of services and benefits they provide to entrepreneurs, and what they see to be the most pressing needs of the entrepreneurs participating in their programs. The following key findings include results from all three surveys.

- **Start-up Capital:** Eighty-seven percent of respondents indicated that obtaining the necessary seed capital was their primary challenge. Seventy-five percent of them said they were not able to obtain a bank loan because they lack the collateral required. Only three percent of those surveyed had a commercial bank loan, while 69 percent used personal savings to finance their business. These results were underpinned by the survey of business incubators in which the majority of responding organizations echoed that access to start-up capital was the primary challenge faced by entrepreneurs in their country. When asked what can be done to help entrepreneurs gain access to capital, the top suggestion from accelerators surveyed was that banks and other formal lenders should reduce the collateral requirements.
- **Operating Costs:** Fifty-three percent of respondents indicated that it was “not at all easy” to obtain the necessary machinery, equipment, technology, or raw material needed to operate, citing the high cost of land/office space as the primary cost concern. The second most costly operating expense is electric power with 73 percent of respondents saying that government could “incentivize small businesses by reducing power outages”. With respect to the legal system and the resolution of contract disputes, 82 percent of respondents said that the lengthy time to resolve disputes was the biggest problem, and 70 percent cited corruption in the judicial system as a concern.
- **Government Regulation Compliance:** Respondents indicated that the cost of registration and the difficulty posed by the overall number and variety of government departments involved in obtaining required permissions was very problematic. Sixty-five percent said that government should help establish business incubators to support entrepreneurs early on. More than half of respondents said that compliance with government regulations and operating requirements once the firm is established was only “slightly burdensome” or even “not burdensome at all”.
- **Human Resources:** Ninety percent of responding entrepreneurs said they were confident they will be able to find employees with the right skills for their business. However, although entrepreneurs said skilled labour is out there, 62 percent stated that the high cost of employing them was prohibitive. Meanwhile, 90 percent of entrepreneurs said the number one type of training they desire for themselves is in business management.
- **Assistance for Entrepreneurs:** Fifty-eight percent of entrepreneurs said that it is “not at all easy” to start a business in their country, due to a variety of factors including access to capital, which is especially important due to the high cost of core inputs. Seventy nine percent said that the most important incentive that government could provide to them is tax relief. This response was echoed by the accelerators/incubators surveyed with 90 percent of responding organizations indicating that tax breaks for entrepreneurs were the most important incentive. Sixty-five percent of entrepreneurs said that the availability of government incentives to, for example, reduce their tax burden and lower the cost of inputs such as land and capital was “very important”. And 63 percent said that the government needed to “improve the general quality of infrastructure” as a key to reducing overall costs which are hurting their competitiveness.

- **Business Incubators and Start-up Accelerators:** Eighty-two percent of entrepreneurs said that access to a business start-up accelerator or resource center was “very important” to their business. Sixty-six percent indicated that they are currently part of a business incubator, accelerator, association or trade group. Eighty percent of entrepreneurs said that networking and access to mentoring were the two primary benefits of their involvement with an accelerator/incubator. This was supported by the survey of incubators with the majority of respondents indicating that mentoring was the service most in demand by entrepreneurs in their organization. Networking among fellow entrepreneurs was also highly rated with 93 percent of entrepreneurs saying they value the encouragement they get from other entrepreneurs, and 86 percent said they use their interactions with one another to brainstorm ideas for growth.

Entrepreneurs' Solutions to Enabling Environment Challenges

The Tony Elumelu Entrepreneurship Programme emphasizes the need for entrepreneurs to develop homegrown solutions to key challenges they face and navigate their own way through difficult operating environments to the extent possible. Therefore, during the Tony Elumelu Entrepreneurship Programme Bootcamp, the Tony Elumelu Foundation's Africapitalism Institute conducted two focus groups with more than 100 entrepreneurs representing different African countries and hailing from a wide-variety of sectors in order to solicit their ideas as to how the challenges identified in the surveys conducted can be addressed. Some of their suggestions, along with those received through brainstorming sessions conducted with a variety of experts, includes:

- **Business Registration and Regulatory Compliance:** Government should create a single location where aspiring entrepreneurs can find and file all necessary paperwork in order to legally register their business. In addition to a physical “one-stop shop” for start-ups, entrepreneurs should be able to complete all aspects of their business registration online, which will reduce the cost, time to file, and help reduce the prevalence of corruption. The online resource should also include key regulatory requirements for businesses by sector, making it easier for entrepreneurs to efficiently ensure compliance.
- **Skilled Labor:** Entrepreneurs suggested that education institutions formally develop and incorporate entrepreneurship instruction and training into their curricula, which will also help to raise awareness among students about entrepreneurship as an option available to them and change the culture to encourage risk-taking. It was also suggested that academia partner with businesses in order to adjust their courses so they provide training that is more aligned with the workforce needs of the private sector. Regarding the high cost of skilled labor, entrepreneurs encouraged a regime of strict employment contracts to limit poaching by competitors as well as business-led ownership sharing schemes to incentive longer employee tenure.
- **Legal Disputes:** Several entrepreneurs, especially those in the ICT space, indicated the need for stronger intellectual property protection. One suggestion was for a private sector-led consortium to serve as a validated repository of innovative products and processes in the absence of well-functioning public regimes. The establishment of legally binding alternative dispute resolution mechanisms was also suggested as a way to avoid the complex and inefficient traditional judicial system.
- **Start-up Capital:** In order to address the inability of entrepreneurs to get start-up capital from banks due to collateral requirements, it was suggested that banks work more closely with entrepreneurs to help them prepare viable business proposals in accordance with their lending philosophy. Government agencies should also be engaged to provide credit support to help de-risk bank lending, reducing the need for collateral as well as the cost of borrowing.
- **Operating Costs:** Many governments have policies that favor government contracts being awarded to qualified local SMEs. However, the small businesses awarded such contracts are usually required to

pay the taxes on them well before they receive payment from the government, forcing entrepreneurs to borrow at high rates in order to pay the tax. It should be a matter of policy that these taxes not be levied until payment is made to the contracted business. Government can also co-sign long-term lease agreements on land and equipment to provide an additional safeguard to vendors who would otherwise require more financial capital up-front.

- **Business Development:** More large African firms need to patronize local SMEs, but many firms avoid this due to a lack of qualified vendors or their high cost relative to foreign products or services. Governments should incentivize large firms to develop local supplier standards and training programmes as a way to develop a pipeline of entrepreneurial talent.

Despite operating under conditions that are comparatively more difficult than other regions of the world, African entrepreneurs are still finding ways to build successful businesses. But in order for Africa's large and rapidly expanding population of working-age adults to find opportunities for economic advancement, these operating conditions must be improved. Otherwise, the millions of aspiring African entrepreneurs with innovative ideas will not achieve success, and the opportunities for formal employment will be limited to too few in search of a better life.

To change the fortunes of millions of Africans, entrepreneurship is the key. Improving the conditions in which they are struggling to bring their ideas to life will not only help increase their chances of success, but will also enhance the overall business climate, facilitate additional foreign investment, and encourage even more Africans to take the leap to self-empowerment through entrepreneurship.

Entrepreneurship: Africa's 21st Century Solution

Over the past decade African economies have benefitted from improved macroeconomic performance and grown at remarkable average rates of roughly five percent per year, with some countries achieving more than seven percent annually.

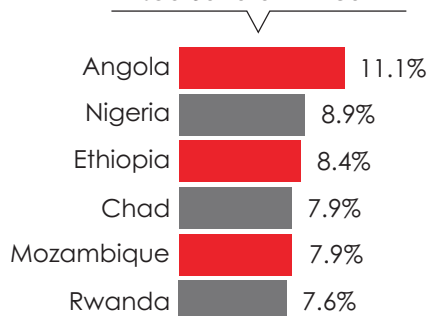
As a result of this progress, by 2011, six of the world's ten fastest-growing economies were in sub-Saharan Africa, according to *The Economist*: Angola (11.1 percent), Nigeria (8.9 percent), Ethiopia (8.4 percent), Chad (7.9 percent), Mozambique (7.9 percent), and Rwanda (7.6 percent). Factors underpinning this growth include increased demand and higher prices for commodities, better commodity prices, increased domestic consumption and foreign direct investment, improved macroeconomic policies and management, more effective economic cooperation with other emerging regions and trade openness, and a more stable political environment.

While this is certainly good news, growth is not an end in itself but rather a means to achieve human development, and, more generally, improvement in living standards. The United Nations Economic Commission for Africa estimates that extreme hunger and poverty and unemployment and inequality in sub-Saharan Africa have increased despite these impressive growth rates. A survey conducted by Afrobarometer in 34 African countries between October 2011 and June 2013 showed that even though poverty rates in sub-Saharan Africa dropped, the number of people living in extreme poverty has increased. It is a matter of the highest urgency that Africa's growth is made *inclusive*, that the prosperity is *shared* and that development is felt by *all*. If the dividends of this growth marginalises and excludes the majority of Africans – particularly the youth – then grave challenges lie ahead.

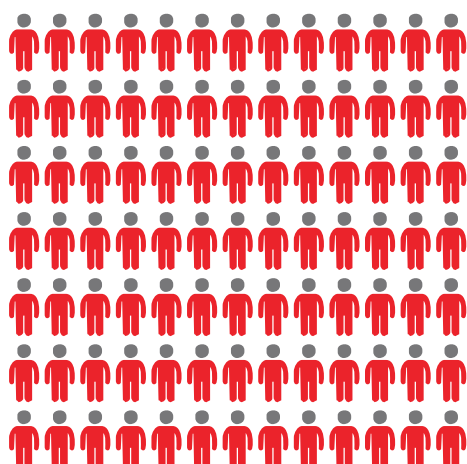
The starkest example of a serious looming challenge that could be turned into an opportunity is Africa's demographic dividend. With 200 million people aged 15 to 24, Africa has the youngest population in the world, but 60% of them are currently unemployed. This statistic becomes even more dire when young people who are underemployed with low pay and few advancement opportunities are included.

Based on current trends, by 2050, Africa will have a population of 2.4 billion – twice its current size – making it home to the world's largest working-age population. This pool of labour has the potential to be a force for transformative and sustained growth across the continent, but could also be the source of social unrest if not productively engaged. In order for African governments to fully harness the potential of this demographic shift, a deliberate, comprehensive effort to create millions of new jobs – or forms of gainful employment – is needed. In turn, this will take time, resources, and focused

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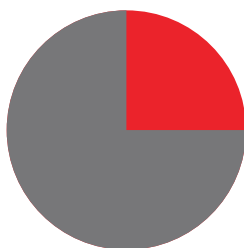
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With 200 million people aged 15 to 24, Africa has the youngest population in the world.



Africa's one billion population, expected to double to about 2.4 billion by 2050, can present great opportunity for economic and social growth or threaten the continent's stability and peace.



By 2050, Africa's youth alone will constitute over a quarter of the world's labour force.

96%

According to the Brazilian government, small and medium size enterprises (SMEs) are responsible for 96% of the jobs in Brazil and comprise 98% of all companies in the country.

policy initiatives.

According to United Nations' Population Fund, half of the populations of Chad, Niger and Uganda are under 16. The African phenomenon of a rapidly growing population with a large percentage of young people, about 40 percent under the age of 15, can be either a risk or a huge opportunity. Africa's one billion population, expected to double to about 2.4 billion by 2050, can present great opportunity for economic and social growth or threaten the continent's stability and peace. The most pressing short-term challenge is that this increasing population means a greater influx of labour workforce - by the year 2020 there will be a further increase of 122 million workers.

On one hand, the African economies that are resource-dependent are unable to absorb the millions of young workers who enter the labour force each year. On the other hand, the potential in an increasing population is the human capital and the opportunity to create new industries and expand economies. The African private and public sectors can partner to turn this demographic into a rising and energetic generation that can be used to transform the continent for the better.

By 2050, Africa's youth alone will constitute over a quarter of the world's labour force. Based on demographic growth projections, Africa will need to create up to 10 million formal jobs *annually* as more young people enter the job market. Current economic growth models fall short of creating enough formal jobs, and the fastest growing African economies also have some of the highest levels of youth unemployment.

According to our Founder, Tony O. Elumelu, the only way we can achieve the objective of actively engaging most of Africa's youth as well as the ultimate goal of a more inclusive society is by unleashing the potential of Africa's entrepreneurs to take the initiative and build the kind of companies that will rise to meet the increasing needs of Africa's young and growing population. This is espoused in the Africapitalism philosophy in which the private sector must play the leading role in Africa's economic and social development. But in order for the private sector to foster entrepreneurship, African governments must create policies that facilitate personal initiative and make it easier for these emerging business leaders to be competitive.

Impact of Entrepreneurship

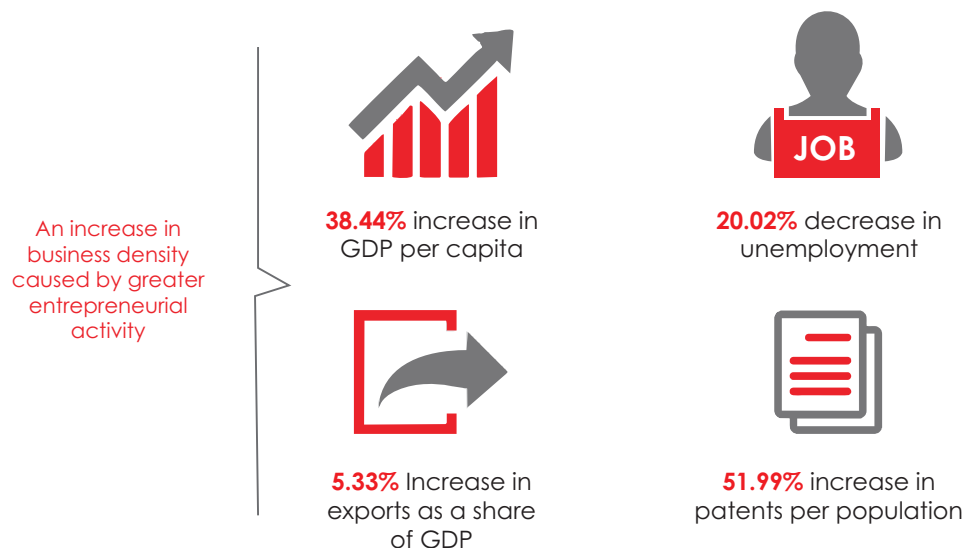
Entrepreneurship is increasingly playing a more important role in global development. In the most notable emerging countries known as the BRICs – Brazil, Russia, India, and China – their impressive growth has been as a result of an entrepreneurial revolution where young businesses play a crucial role in the economy. According to the Brazilian government, SMEs are responsible for 96 percent of the jobs in Brazil and comprise 98 percent of all companies in the

country.

In Africa, many development organizations and donors from the United States Government's SPARK initiative, to the UK's Department for International Development (DFID) Start-Up! Programme have recently begun to invest in and promote youth entrepreneurship as opposed to a focus on handouts and aid.

A 2015 report by Endeavour Insight explores the influence of entrepreneurship on the global economy and demonstrates a significant correlation between the rise of entrepreneurship and broader economic benefits. The report analyses data on GDP per capita, unemployment, exports as a share of GDP, and patents per capita from 2004-2011, and in all four categories entrepreneurship had a positive economic impact.

According to the study, on average, an increase in business density caused by greater entrepreneurial activity yielded a 38.44 percent increase in GDP per capita, a 20.02 percent decrease in unemployment, a 5.33 percent increase in exports as a share of GDP, and a 51.99 percent increase in patents per population.



2015

The year of the African entrepreneur

Jan

On January 1, 2015, applications for the Tony Elumelu Entrepreneurship Programme – a \$100 million initiative to discover and support 10,000 African entrepreneurs over the next decade – opens to all Africans on the continent and in the diaspora with an existing business (under three years) or an idea that can transform Africa.

Feb

"Young entrepreneurs and those they inspire are the lifeblood of Africa's rise." – Tony O. Elumelu, Founder, Tony Elumelu Foundation."

Our Chairman, Tony Elumelu, CON, was quoted in the highly acclaimed Forbes list of the 30 most promising young entrepreneurs in Africa 2015 that calls 2015 "an entrepreneurial boom" for Africa. The list features "Africa's growing crop of young entrepreneurs who will transform the continent and rewrite its future". All profiled entrepreneurs have made commendable impact in manufacturing, technology, real estate, media and entertainment, financial services, agriculture, fashion, and the service industry.

Mar

The White House announces that the Global Entrepreneurship Summit (GES) launched in 2009 will be hosted in Kenya. Past summits have been held in the United States, Turkey, the United Arab Emirates, Malaysia, and Morocco. This will be the first time this event will be hosted in sub-Saharan Africa. "The Government of Kenya has agreed to co-host the 2015 Global Entrepreneurship Summit (GES) this July. Organized annually since 2009, the GES has emerged as a global platform connecting emerging entrepreneurs with leaders from business, international organizations, and governments looking to support them. This will be the first time the GES will take place in sub-Saharan Africa, Press Secretary Josh Earnest said in a statement.

April

In a ranking published by The Bill and Melinda Gates Foundation and the No Ceilings initiative of the Bill, Hillary & Chelsea Clinton Foundation that identifies countries with the highest number of female entrepreneurs, it was discovered that Nigerian women were four times more likely to be an entrepreneur than a woman in the United States.

May

Nigerian philanthropist, Tony Elumelu, CON, is recognized for his work in empowering African entrepreneurs and is invited to the White House by President Barack Obama to give a speech during the launch of the SPARK initiative. According to the White House, "The event brought together emerging entrepreneurs from across the United States and around the world to highlight the importance of investing in women and young entrepreneurs to create innovative solutions to some of the world's toughest challenges, including poverty, climate change, extremism, as well as access to education and healthcare."

African countries in the top 10 of the list are: Nigeria (1st), Ghana (3rd), Uganda (4th), and Botswana (5th). Others in the top 25 include South Africa (14th) and Algeria (21st).

2015

The year of the African entrepreneur

June

Business Insider publishes a list of the "9 countries with the most entrepreneurs" based on a number calculated by the percentage of the adult population that owns or co-owns a new business and has paid salaries or wages for three or more months. On this list, four were African: Uganda (1st), Cameroon (4th), Angola (6th) and Botswana (8th)

The publication gives additional insight as to how these countries were selected:

Uganda - A massive 28.1% of the population are entrepreneurs, capitalising on the freedom that comes with shirking off decades-long rule by dictatorship. Many of the self-employed are seeing their businesses expand because of the country's recently laid fibre optic cables that connect even remote villages to the internet

Cameroon - 13.7% of the country is self-employed, including many workers in the service and food industries

Angola - 12.4% of the population work for themselves. Street sellers, "zungueiros" for males and "zungueiras" for females, make up a large portion of the self-employed. Traffic jams directly help these workers in pushing their products

Botswana - 11.1% of the population are entrepreneurs, setting up swaths of stalls to bring in personal business."

July

The Tony Elumelu Entrepreneurship Programme

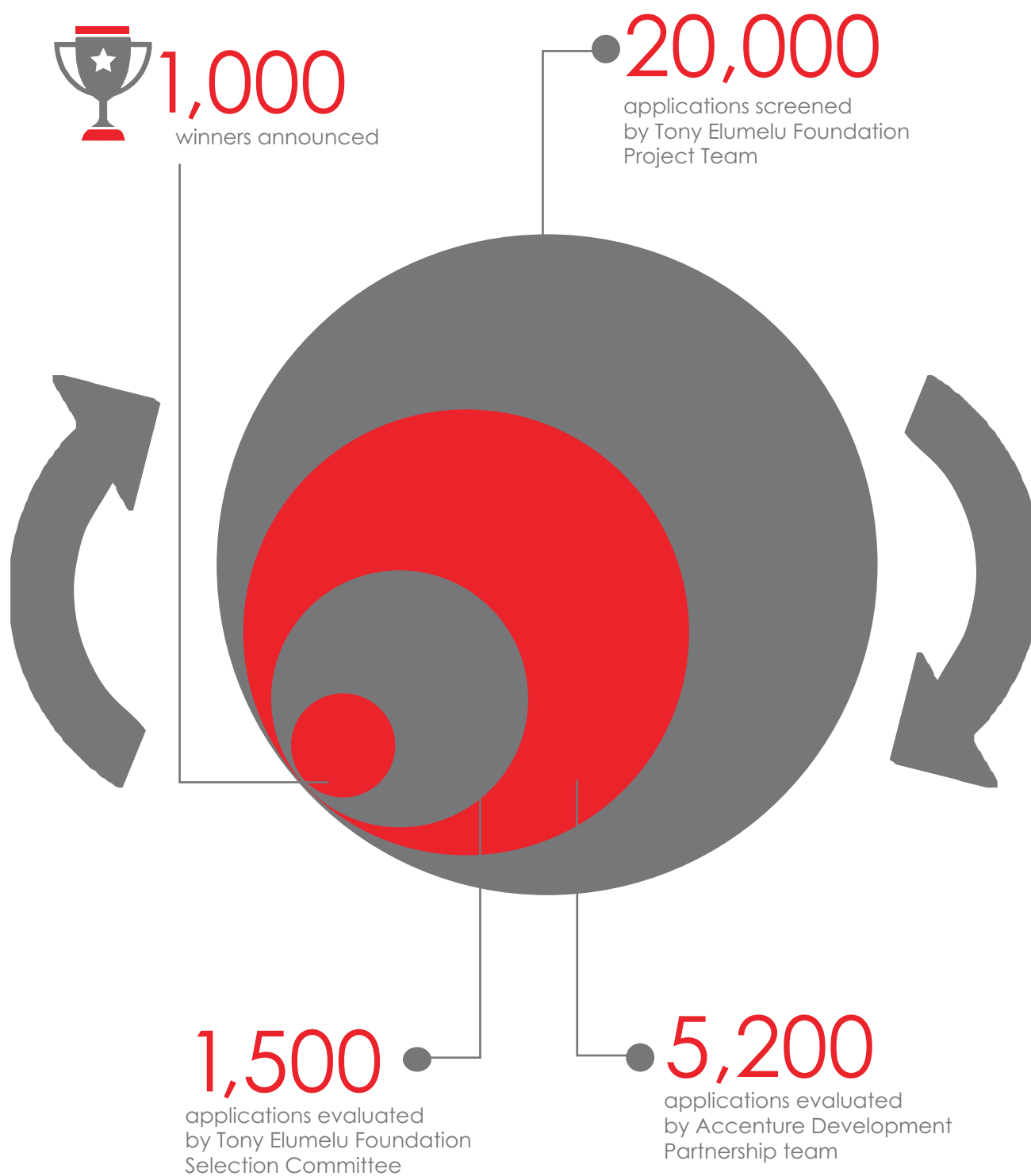
The Tony Elumelu Foundation in July hosted 1000 entrepreneurs from across Africa for a two-day Bootcamp at Covenant University, Ota, Nigeria. The Bootcamp followed the March 2015 announcement of the selection of 1000 African entrepreneurs whose ideas/businesses can and will transform Africa.

The 1,000 ideas/businesses were chosen based on feasibility (20 percent), market opportunity (20 percent), financial understanding (10 percent), scalability (20 percent), and leadership and entrepreneurial skills (30 percent). In addition to the \$10,000 seed capital (\$5000 non-refundable risk capital, and \$5000 equity or low interest loans), the entrepreneurs will also receive support in the form of:

- a) Enterprise development kit
- b) Business training
- c) Mentoring
- d) Professional networking
- e) Business plan development

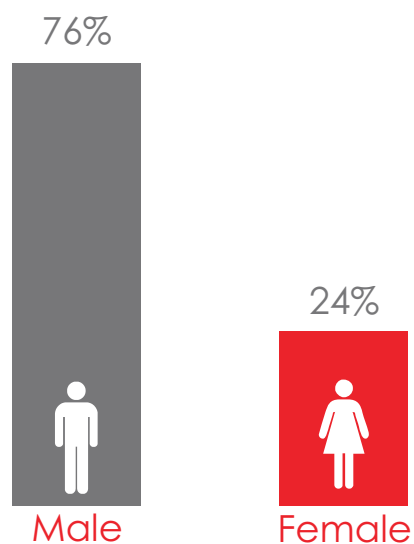
The Tony Elumelu Entrepreneurship Programme – a \$100 million initiative to discover and support 10,000 African entrepreneurs over the next decade – received over 20,000 applications from 53 African countries with ideas ranging from fish farms to fashion, web apps to wellness centres, education and energy solutions to pure entertainment from all ages, sectors and walks of life.

Selection Process



Demographics of Applicants

GENDER

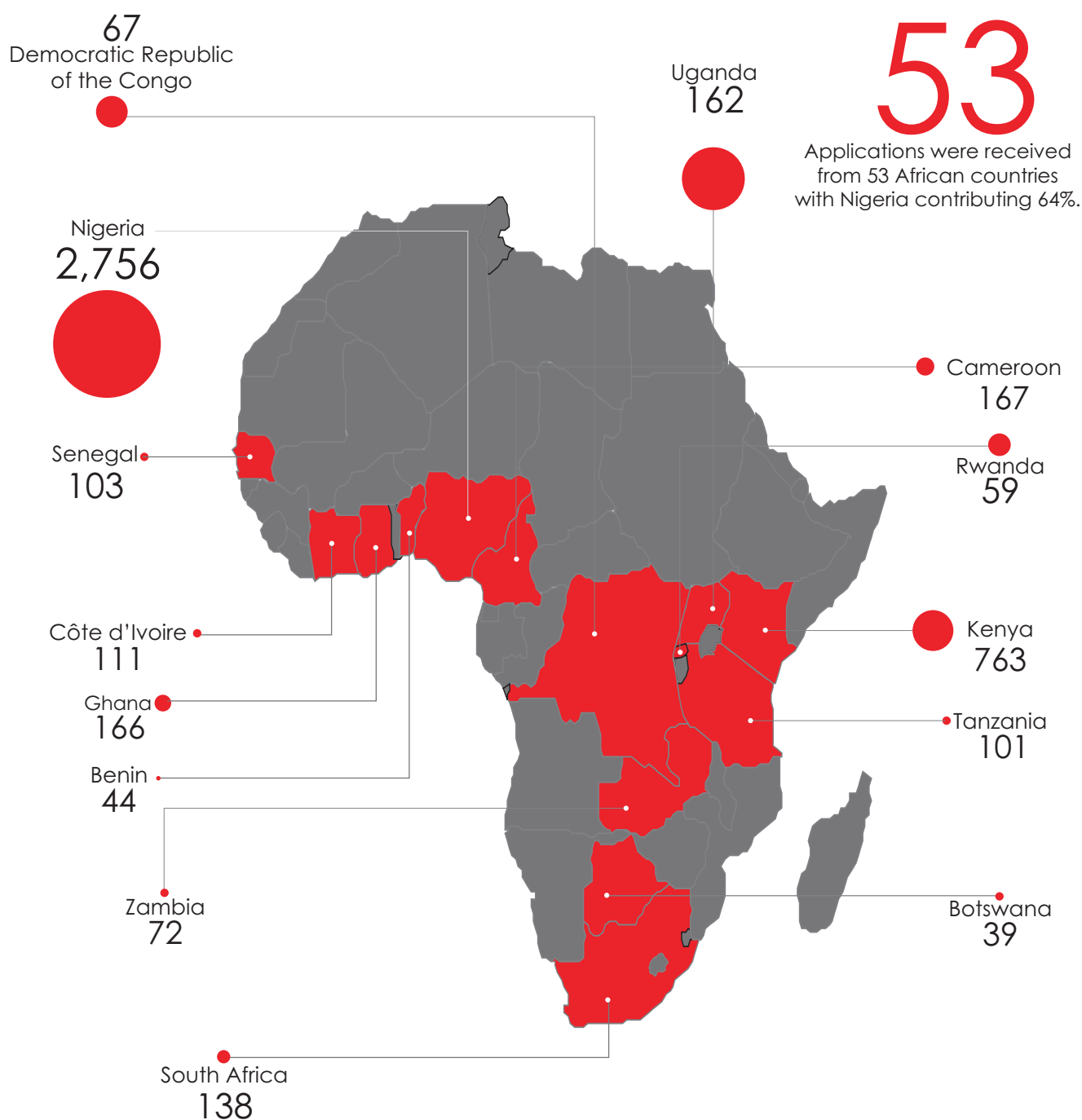


BUSINESS SECTOR



Demographics of Applicants

African Countries with Highest Number of Applicants



Demographics of Applicants



THE 1,000 TONY ELUMELU ENTREPRENEURS

Stage of Business



Market Entry

25.7%



Idea

31%



Growth

14.4%



Early Development/
Market Testing

29%

Tony Elumelu Entrepreneurship Programme Seven Pillars



Startup Enterprise Toolkit

Tony Elumelu Entrepreneurship Programme operates with the belief that entrepreneurship and business skills are teachable and learnable. This is why we devised a 12-week programme to equip start-ups with the basic skills required to launch and run their businesses at the early stage of their growth. We bring together the best tools and frameworks to teach and hone entrepreneurship skills in Africa and globally.

The programme is a mix of online and face-to-face instruction, including webinars and video tutorials with support from mentors throughout. It covers topics on starting and scaling a business, business development, marketing strategy, effective management, and product design.



Mentoring

The importance of mentoring cannot be overemphasised, especially for early stage start-ups. They are a vital part of the Tony Elumelu Entrepreneurship Programme and were selected for their expertise, passion and alignment to the programme vision and mission. Tony Elumelu Entrepreneurship Programme assembled world-class mentors from across Africa and internationally who faced similar challenges and are able to steer our start-ups along this tumultuous path.

From the onset, Tony Elumelu Entrepreneurship Programme start-ups are assigned a mentor who dedicate time and share their business experiences, listen to their mentee's goals and expectations, and provide guidance and support throughout the programme. They keep the start-ups on track to complete their business plans and to help them build a business with a solid foundation.

Mentors also benefit from collaborative learning and by helping start-ups, they are inspired with new ideas, new business strategies and learn more about the realities of doing business in Africa from African start-ups.



Online Resource Library

Start-ups, alumni, and mentors of the Tony Elumelu Entrepreneurship Programme have access to our curated online resource library of case studies, sample business plans, research documents, video presentations, industry articles, and podcasts that enhance the competitiveness of start-ups, accessible from anywhere in Africa. All course content and training materials used at the Bootcamp are also cross-linked with the training modules, accessible on the online resource library.

Our goal is to provide a valuable library of relevant content for African entrepreneurs over time that is also available even after graduating from the programme.



BOOTCAMP

This is an intense, interactive, two-day, live-action, learning experience, where specialist trainers help start-ups develop a range of soft skills using face-to-face, interactive teaching methods. This takes place at the end of the 12-week online training programme. The 1,000 pan-African selected start-ups gather in one location to share their stories, build networks, and develop their soft skills through personal engagement in an interactive environment.



Elumelu Entrepreneurship Forum

The Tony Elumelu Entrepreneurship Programme will host an annual Elumelu Entrepreneurship Forum to showcase the African start-up to a global audience of entrepreneurs, incubators, business, corporations, government, investors, academia, and foundations. It will be a time of engagement, networking, learning and inspiration for start-ups as they conclude their Tony Elumelu Entrepreneurship Programme tenure, and a chance to hear from world renowned executives, scholars, and entrepreneurs.

The Elumelu Entrepreneurship Forum will grow to become the signature annual entrepreneurship event on the continent; a showcase of the innovation and entrepreneurial potential that exists across Africa.



Seed Capital Funding

The African start-ups that successfully complete the 12-week programme with the support of their mentors and attend the two-day Bootcamp and the Elumelu Entrepreneurship Forum will be awarded a non-returnable investment for further development of their business idea.

The start-ups will be continuously monitored on both a portfolio and individual basis, as we evaluate the start-ups for follow-on funding and beyond. The qualifying start-ups that have progressed their business plans sufficiently will each qualify for a second stage seed capital investment of \$5,000 that will be provided as returnable capital.



Tony Elumelu Entrepreneurship Programme Alumni Network

The Tony Elumelu Entrepreneurship Programme is a year-long programme in which selected start-ups each go through a 12-week training course, develop a rapport with a mentor, and build the business. Graduation in December of each year marks the end of the programme and one might wonder, "what next?"

The Tony Elumelu Entrepreneurship Programme will definitely not leave one out in the cold – the Alumni Network is where one can continue to connect with mentors and fellow start-ups, access the vast online resource library and be kept totally in the loop with the programme.

The Alumni Network fosters a spirit of loyalty, comradery, and dedication to give back to the programme, thereby promoting the general welfare of the programme and all those it has impacted.

This will become Africa's largest entrepreneurship-focused Alumni Network, providing a safe and secure environment in which to facilitate sharing and collaboration around content, knowledge and information. The network will provide a unique ecosystem for African start-ups to cross-pollinate grassroots businesses with energetic and passionate entrepreneurs all across Africa.

Meet-up Pictures

Mali



Tony Elumelu on a visit to Mali to meet the Tony Elumelu Entrepreneurs.

Cameroon



Selection Committee member Angelie Kwemo meeting with Tony Elumelu Entrepreneurs.

Nigeria



Tony Elumelu meeting with Tony Elumelu Entrepreneurs in Nigeria.

SELECTED ENTREPRENEUR PROFILE



HAMZA BEN ARBIA

Hamza is the founder of a local chess club "La Reine Noire", enjoys traveling, and recently concluded his executive MBA from the London School of Business and Finance in finance and investment management.

SECTOR: ICT, internet of things, digital fabrication, education

NATIONALITY
TUNISIAN



SEX
MALE



AGE
28 YEARS



LIVES
IN TUNISIA



Snapshot of business idea:

Fab Lab Tunisia is the country's first multipurpose built digital fabrication and rapid prototyping workspace. We're a 1500m² creative space that provides members with access to digital fabrication tools, an electronics lab, education workshops, marketing events, and a vibrant community of likeminded entrepreneurs. We help individuals and companies learn about the application of digital technologies, rapid hardware prototyping, 3D printing, and sustainable design practices.

We have a range of fabrication platforms and tools on site including laser cutters, 3D printers, milling machines, sewing machines, 3D scanners, traditional hand tools (saws, drills, hammers, chisels, etc.) and CNC machines. Complementing the physical and mechanical design, we provide access to an electronics lab with the latest platforms, design tools, and test equipment.

The Fab Lab can offer:

- Workspace for individuals and companies to develop innovative products
- Educational workshops for schools and individuals to learn new skills
- Residential workspaces for hardware orientated start-ups
- A range of 3D services including scanning, printing, and CAD design
- Large scale laser cutting and engraving
- Rapid hardware prototyping facilities for innovation and product development teams
- Access to the design expertise of the international Fablab network

1

Stage of Business: Market entry

2

Why did you want to be an entrepreneur?

I feel that I am driven by autonomy, mastery, and purpose. I want to decide my own destiny. I want to help my community. I feel that I can make a positive and a larger impact for my community by being an entrepreneur.

3

What are the biggest challenges you face?

One of the most challenging parts was to implement my business model in an unexplored country and environment. Gathering a whole community of freelancers and young entrepreneurs from across the country and providing them with the right tools for innovation has also been tasking.

4 What is the easiest aspect of your business?

In providing a hub to gather the brightest young people from around my country and empowering them to make positive change, I have found that there is no need to interfere most of the time as they are all willing to help each other.

5 Where do you see yourself in five years?

In the path of Mr Tony - rising to the top and being a future shaper for Africa.

6 What do you know now that you wish you had known when you were starting your business?

IT'S OKAY TO FOLLOW YOUR GUT! I started my first successful business when I was in university. I was driven and passionate about my idea but I was young and lacked confidence, so I was too often swayed from my common sense by people who I assumed were smarter because of their degrees or experiences. I've since learned to trust my instincts because they've proven more valuable than an MBA ever could." (Even if I hold an MBA myself).

7 Who are your local role models?

I am quite impressed by Mr Elumelu and his work. Besides his incredible career path and works, he has a dream of making Africa better. I can only salute such acts of greatness. Miss Wafa Makhoulf - a beautiful and powerful self-made Tunisian entrepreneur who supports every entrepreneurship initiative or programme in Tunisia.

My father Mr Noureddine Ben Arbia is a living example of virtue and hard work. My father dedicated his life and sacrificed so much to make his family comfortable. These three persons believed in me when nobody did besides being true role models for me and for that I will be eternally grateful.

8 Most fulfilling part of the Tony Elumelu Entrepreneurship Programme for you?

Most programmes are really simply additional credentials, but the Tony Elumelu Entrepreneurship Programme is much more than that. It is a catalytic experience. The Tony Elumelu Entrepreneurship Programme has worked in a real deep way to develop every aspect and detail of this program. The Tony Elumelu Entrepreneurship Programme is an exciting program with the sole purpose of improving mutual understanding and building bridges between African countries.

9 What advice do you have for TEEP 2016?

People are seeing how the world is changing and are willing to be part of that change and even shape that change. The Tony Elumelu Entrepreneurship Programme is a truly unique opportunity in your life to be part of that change! It will reset the way you look at things. It will enhance your way to success and you will become a person that starts to see a different world than the one you grew up in. Five, 10, 20 years from now there will be a meeting of top African entrepreneurs. At that table, there will be Tony Elumelu Entrepreneurship Programme alumni. They will remember each other and will each be making a difference in their countries, Africa, and in the rest of the world. You will be one of these people.

10 Message to our Founder, Mr Tony O. Elumelu?

Mr Elumelu, you are training the next generation to become the next leaders of Africa. A generation who has a better understanding of each other than anything that we have ever seen before. You are leading and empowering young African for decades to come! You are inspiring! You are leading an unprecedented experience which is going to result in a more peaceful and more economically prosperous Africa.

I am an African. You are transforming the future of Africa for generations to come. You make me proud of being an African. You make AFRICA PROUD. Mr Elumelu, YOU ROCK! And one last thing, Mr Elumelu, come visit Tunisia! We need you here.

11 Anything else you'd like to tell us?

Africa is a fascinating unexplored place that has seen massive economic growth in recent years. It is home to a booming start-ups scene. As entrepreneurs, we hope to capitalise on largely untapped markets and a growing middle class.

"We cannot lose sight of the new Africa that's emerging." President Barack Obama

The future is in Africa!

SELECTED ENTREPRENEUR PROFILE



BENEDICTE MUNDELE KUVUNA

Benedicte loves playing tennis, is curator of the Global Shaper (a branch of the World Economic Forum) Kinshasa branch, and a recipient of the African Leadership Academy's Anzisha prize that recognized 12 brilliant entrepreneurs under 22.

SECTOR: Manufacturing /agro business

NATIONALITY

Democratic
Republic of Congo



SEX
FEMALE



AGE
22 YEARS



LIVES
IN DRC



Snapshot of business idea:

I'm the founder of Surprise Tropicale, an organic produce canteen that promotes a healthy lifestyle in my community in the suburbs of Kinshasa. Surprise Tropicale is a catering business based "in the Democratic Republic of Congo (DRC) that sells locally grown food items. In addition, we seek to empower the farmers that supply us with produce by training them on the best agricultural practices to ensure higher incomes for them and food stability within the DRC. For now, we produce chips (plantain, taro, coconut, and ginger), juice, paste (safou and avocado) and sell at some schools. We have long-term plans of including a largescale organic juice factory.

I came up with the idea of going into the food sector while in high school. I started by offering breakfast to members of the Kuvuna Foundation, a youth skills empowerment and leadership organization. Today, Surprise Tropicale is growing and we plan to start processing products and supplying local supermarkets. We hope to reduce food poverty in the DRC and dependence on imported food.

1

Stage of business: Growth stage

2

Why did you want to be an entrepreneur?

I wanted to be an entrepreneur because it is a good way for me to participate in the growth and development of my country. The food poverty in my country inspired me. In DRC we have many sources of fresh food; however, when you go the supermarket, everything is imported making the products very expensive. When we import foodstuff that can be produced locally, we are indirectly exporting jobs.

3

What are the biggest challenges you face?

My big challenge at the moment is to raise enough money to build a factory. Also I do not have access to reliable infrastructure. The absence of a packaging industry in my country is also a problem. Finally, customer doubt. Customers generally don't believe that anything good can come out of the country.

4

What is the easiest aspect of your business?

The easiest part of the business is the close proximity to most of my raw materials since they are locally sourced and also fresh. I am also fortunate to be near my market.

5 Where do you see yourself in five years?

With more than 12,000,000 residents in Kinshasa in five years, I hope my business will be a big chips factory that will supply many local outlets.

6 What do you know now that you wish you had known when starting your business?

I wish I had known about the importance of reorganizing my business idea in order to make a good business plan.

7 Who are your local role models?

My first role model is my daddy. He believes that in business even when things don't work out you should still have faith and strength. Another role model is Fred Swaniker, founder of African Leadership Academy. He is my role model because of his focus on Pan-African development.

8 Most fulfilling part of the Tony Elumelu Entrepreneurship Programme for you?

This programme was stressful at times for me, but I was able to better understand my business, and reorganise my ideas, and ultimately stay focused. It has taught me on the need for my business to be sustainable. It has also helped with developing my long-term business plan.

9 What advice do you have for TEEP 2016?

My advice to the next class of the Tony Elumelu Entrepreneurship Programme is to never give up even when you are confused with your idea. There is no need to be afraid of the future.

10 Message to our Founder, Mr Tony O. Elumelu?

Being in this programme was a once in a lifetime opportunity that will make my dreams come true. Thank you, Sir.

SELECTED ENTREPRENEUR PROFILE



MONGEZI CHIEF ZULU

Mongezi has worked as a journalist for over fifteen years, loves politics, enjoys farming, and appreciates a good debate.

SECTOR: Agriculture

NATIONALITY
SWAZILAND



SEX
MALE



AGE
40 YEARS



LIVES
IN SWAZILAND



Snapshot of business idea:

Currently, I grow a variety of crops and vegetables. The plan is to expand, improve the quality, and brand and package my produce to meet required standards. I am a small-scale farmer hoping to expand my business by forming partnerships with fellow community farmers. As a larger group, we will be able to sell our produce in more commercial quantities to chain stores and the national marketing board. My business idea particularly tackles the common problem facing small farmers in my community- lack of fencing and irrigation. I plan to work closely with the Ministry of Agriculture and take advantage of the green slope scheme.

1

Stage of business: Early stage

2

Why did you want to be an entrepreneur?

Because I want to create jobs and, hopefully, eradicate poverty in my community.

3

What are the biggest challenges you face?

Start-up capital and resources to make business thrive are difficult to come by. Also tedious requirements to start even a small business – regulation to be precise!

4

What is the easiest aspect of your business?

Employing my natural leadership skills to get the business going and taking it to the right direction.

5

Where do you see yourself in five years?

I see myself as one of the most successful Pan-African business persons. I hope to change the pessimistic story that Africans are failures and also change the perception that successful Africans are selfish and do not want others to succeed.

6

What do you know now that you wish you had known when you were starting your business?

The fear of paying for the right reason. Getting a qualified person to do the job is a recipe for success. Also, the power of networks which I will never underestimate from now on.

7 Who are your local role models?

It's Mrs Sphephiso Mntshali who runs CIT college.

8 Most fulfilling part of the Tony Elumelu Entrepreneurship Programme for you?

The most fulfilling part has been most of the entire 12-week programme that takes one on the entrepreneurship journey to experience the dynamics of the entrepreneurship world. Also quality expert advice through the mentoring programme.

9 What advice do you have for TEEP 2016?

To the future class of 2016, do not be self centred but you should improve the lives of other hundreds of people. Improve the lives of your fellow Africans.

10 Message to our Founder, Mr Tony O. Elumelu?

What Comrade Tony is doing certainly should have been done by many African leaders in politics and business. He is empowering Africans to stimulate private sector growth. What Mr Elumelu has done is hard to imagine that an African can do such for fellow Africans. He is a true son of Africa and generations will behold his honour. I say long live Comrade Tony, long live! Viva Africa, viva!

11 Anything else you'd like to tell us?

There should be a vigorous marketing of the Tony Elumelu Foundation in Swaziland. However, the majority I have spoken to are fascinated by the ideals of the Foundation. Next year more applications will come from this kingdom. I am already the Tony Elumelu Foundation's ambassador.

SELECTED ENTREPRENEUR PROFILE



CONSULATE LUBANGA

Consolate is enthusiastic about fashion, passionate about equal access to opportunity, and is eager to change the fact that only five percent of women in South Sudan own their own business.

Sector: Fashion

NATIONALITY
SOUTH SUDAN




SEX
FEMALE


AGE
30 YEARS


LIVES IN
SOUTH SUDAN



Snapshot of business idea:

My business is still at an idea stage. I am establishing myself and acquiring the basic necessities at the moment to start it. I am an aspiring fashion designer - I hope to start a women's clothing line.

1

Stage of business: Early stage

My business is still at idea stage, until I receive funding for it. I am soon getting my license to fully operate as a fashion designer in Juba, South Sudan.

2

Why did you want to be an entrepreneur?

To me, being an entrepreneur is all about meeting the fashion needs within society here in Juba, South Sudan and the East African region. Fashion is my passion. Being a fashion entrepreneur to me is exciting and fun. It is something I look forward to waking up to every morning. I look forward to becoming the next successful fashion entrepreneur here in Africa. Thanks to the Tony Elumelu Foundation for making me what I am today. I hope that I get to inspire a lot of people, especially girls, to dream big and rise up to the challenge, especially in a country that is largely patriarchal like South Sudan is.

3

What are the biggest challenges you face?

The political insecurity here in South Sudan is the greatest challenge at the moment. As an entrepreneur, this affects the cost of input. It becomes increasingly difficult to acquire input for the store, and this usually results in high prices, which also scares even your most loyal customers away. Even labour becomes expensive.

4

What is the easiest aspect of your business?

The easiest aspect is the actual work of making the clothes. It's relatively easy for me.

5

Where do you see yourself in five years?

In five years' time, I see myself very successful, getting recognition for my work across the East African region and Africa in general.

6 What do you know now that you wish you had known when you were starting your business?

I am now fully aware that the business can grow to such an extent that one would have to hire technical expertise, a board of advisers, or directors. This challenges me to go over and beyond to develop my brand.

7 Who are your local role models?

My local role model is Sylvia Awori. She has been successful within such a short time.

8 Most fulfilling part of the Tony Elumelu Entrepreneurship Programme for you?

To me the entire programme came at the right time, it proved to be very rewarding. The education I got from the programme was excellent. What's more, I get funded. Before the programme started, all I had was the goal of being a fashion entrepreneur and saving money to start my business. The Tony Elumelu Foundation gave me the right tweak, sharpened my business skills, and now I am ready for the challenge. At first it was all about how much money you are going to make with the idea you have and how big you are going to be. But when you get to go through the TEEP refinement, through the entire programme, your vision and knowledge broadens. You then know that starting a business is not just about opening a store and hoping people would come buy your product but also about making an impact in the lives of others.

9 What advice do you have for TEEP 2016?

My advice would be, if you think you have it all before starting your business, wait until you go through the program, it's better than the funding itself. But then again, your business gets funded in the end, and that is awesome.

10 Message to our Founder, Mr Tony O. Elumelu?

Thank you for standing up for a cause as such, you are standing up as a father, a mentor, and a leader to most of us. I can never thank you enough. God bless you.

11 Anything else you'd like to tell us?

I would wish the foundation had more recipients from South Sudan, especially young women.

SELECTED ENTREPRENEUR PROFILE



JAMES K. MULBAH

In 2013, Ghana's TV Africa Online named James the "best producing manager" for his innovation in waste management. He is also a member of the Young African Leaders initiative Regional Advisory Board of West Africa representing Liberia and Sierra Leone.

SECTOR: Waste management/ recycling

NATIONALITY
LIBERIA



SEX
MALE



AGE
28 YEARS



LIVES IN
LIBERIA

Snapshot of business idea

Green Cities Inc. is a youth-focused social Enterprise operating Liberia first waste segregation and recycling centre. At this centre, we add economic value to waste through recycling and reuse. We recycle both organic and inorganic waste.

1 Stage of business: 2 ½ years

2 Why did you want to be an entrepreneur?

I choose to be an entrepreneur due to societal problems like unemployment and poor waste management system in most parts of the continent. I believe entrepreneurship is the solution to some of the continent's huge problem. With this business I am able to create a clean and safe environment. I've created over 150 job opportunities for young people, ten scholarships to single parents in slum communities, and introduced a culture of recycling and proper waste management.

3 What are the biggest challenges you face?

The biggest challenges I am facing as an entrepreneur are – 1) most people here prefer doing business with an older person than a young person; 2) lack of effective laws to protect young entrepreneurs from the older ones; 3) inadequate access to equipment for achieving my dream of Clean and Green Africa; and 4) competing with more established institutions.

4 What is the easiest aspect of your business?

The easiest aspect of my business is identifying raw materials for recycling purpose. These materials are everywhere on the street.

5 Where do you see yourself in five years?

In years to come (i.e. five years from now), I see myself being a millionaire. I believe this achievement will help me to invest more in Liberia and other countries that will lead to reducing both unemployment and the deteriorating environment on the continent.

6 What do you know now that you wish you had known when you were starting your business?

It is not advisable to scale up too fast and attempt to diversify too quickly as a start-up.

7 Who are your local role models?

Aliko Dangote and Tony Elumelu.

SURVEY

Introduction to Survey

Survey Methodology and Demographics

Survey Key Findings

Entrepreneurship Survey 1

Entrepreneurship Survey 2

Incubators and Accelerators Survey

Survey Summary Matrix



INTRODUCTION - ENTREPRENEURSHIP CONSTRAINTS IN AFRICA

Entrepreneurship contributes to growth and employment creation. Extensive research shows that SMEs are more effective at driving economic development than big businesses. However, for entrepreneurship to play a leading inclusive role in development, the role of the state to create an enabling environment conducive to business as well as provide regulatory oversight cannot be overstated. SMEs play a vital role in job creation, creating a skilled workforce, facilitating private ownership, and to overall output and productivity. We surveyed the entrepreneurs in our Tony Elumelu Entrepreneurship network on what the most pressing constraints to starting a business on the continent were and their results are below:

Of all the entrepreneurs that completed our survey, nearly 60 percent answered that starting up a business in their home country had been “not at all easy” compared to 25 percent that said it had been “slightly easy”. Feedback from entrepreneurs in our network ranged from discouraging government policy to a sluggish bureaucracy to political instability and a deteriorating local economy. In some countries, the culture of investing in start-ups was missing making alternative means of funding few and far between.

Why is the process of setting up a business so difficult on the continent? In the course of this survey, we have discovered some of the more pertinent reasons:

86.9%

of respondents said that access to finance was “not easy at all”

- 1) **Lack of access to finance:** This is perhaps the most common constraint to small enterprise growth. Entrepreneurs and small business owners cannot easily access finance to expand business, and they are usually faced with problems of collateral, high interest rates, extra bank charges, inability to evaluate financial proposals, limited financial knowledge, etc. This means many small businesses cannot access finance to enable them to grow. Small businesses because of their size find it difficult to access external finance.

Nearly all (86.9 percent) of respondents said that access to finance was “not easy at all” compared to 8.2 percent that said it was “slightly easy”. Less than one percent said it was “extremely easy” and only 1.9 percent said it was “moderately easy”.

Comments from our respondents:

- Banks are not willing to give start-ups loans and where they are willing, the start-ups do not meet up with the requirements for the loan.
- The capital injection needed to jump-start the business and keep it running for the first six months is very crucial to the establishment and survival of the start-up but such funds are barely available or provided by the government.
- Financial backup in terms of capital has been the major challenge of an African entrepreneur. If this area can be supported, I think there will be more successful entrepreneurs in Africa.

- 2) **High government-imposed taxes and fees:** Tax systems influence the financial net return to entrepreneurial activity. Where taxes and other government imposed fees are high, there are fewer resources available for entrepreneurs to grow their business, hire necessary talent, and acquire core inputs, amongst other business needs.

Over
26%

percent of entrepreneurs surveyed answered that taxes and fees were burdensome

Over 26 percent of entrepreneurs surveyed answered that taxes and fees were burdensome while 9.2 percent claimed that they were “not burdensome at all”.

Comments from our respondents:

- Tax regime used is prohibitive, and make most businesses collapse within a year in operation. It is important for governments to have a licensing and tax system that is not too

complex and expensive.

- Multiple government taxation at the different levels of government make it especially difficult financially to run a successful enterprise.

- 3) **Understanding and complying with government regulation:** Costly regulation hampers new business growth. These statutes and regulations can come from all levels of government: federal, state, and local. These laws and regulations include licensing and registration of business name, workers compensation, unemployment compensation, health and safety regulation, land use regulations, etc. If these regulations are ambiguous and difficult to understand, then they pose an obstacle to the growth of small businesses.

Nealy a third (32.3 percent) of our respondents stated that it was "slightly burdensome" to understand and comply with government regulation. Over 16.1 percent said it was "very burdensome", and 28.2 percent "moderately burdensome".

Comments from our respondents:

- More widespread information about the government regulations for companies will be useful.
- The major problem when dealing with government in business is the corruption rate is very high, one has to pay extra and one needs to know top officials; if not all other efforts are a waste.
- Government agencies need to be very transparent about their processes and the associated costs, and should have policies that facilitate and support business growth, and not policies that create unnecessary difficulties, or policies that are difficult or too costly for small start-ups to comply with.

- 4) **A lack of government provided incentives:** The absence of sufficient government incentives like tax holidays, subsidized land, low interest loans, etc, means that starting up a business is harder for the African entrepreneur. Incentives are necessary for entrepreneurs to thrive and scale in their respective industries.

Sixty-five percent of respondents said that government incentives are important for their businesses to thrive. Ten percent of the remaining entrepreneurs agree that this factor is "moderately important."

Comments from our respondents:

- In Tanzania, the patent regime is weak, which makes our technological innovations vulnerable to piracy.
- Every incentive for higher productivity in Nigeria e.g. low-interest loans is all to civil servants, military officials, and politicians. How then do we expect entrepreneurs to survive?
- There should be tax relief for identified start-ups that have the potential to grow the local economy.

- 5) **Limited access to factors of production due to poor infrastructure:**

The African Development Bank (AfDB) estimates that Africa needs about \$93 billion every year to bridge the infrastructure gap. The underdeveloped state of infrastructure means that it is more difficult for entrepreneurs and small businesses to access important factors of production. The absence of reliable ports, rail, and road networks means that access to inputs is not always guaranteed.

Over 53 percent of respondents replied that it has "not at all been easy to access factors of production, including machinery, technology, equipment, and raw material. Only 4 percent said that it was "extremely easy" to access factors of production.

32.3%

of our respondents
stated that it was
"slightly burdensome"
to understand and
comply with
government
regulation.

Comments from our respondents:

- Governments should reduce import duty and tariffs for small start-ups importing raw material as they are looking to create jobs in the country.
- As a food stuff supplier, I believe good road and cargo transport system is key. I spend heavily on transportation hereby making the goods I supply a little bit expensive.
- We need the right infrastructure to be in place such as available land, good roads and electricity to ease the burden of doing business on the continent.

3%
said that the cost
of core inputs is
not burdensome
at all.

- 6) **High cost of core inputs:** The high cost of core inputs such as electricity, internet, telecommunications, and office/manufacturing space hinders the scalability of the small business. For example, in Africa, power outages are common, and small entrepreneurs have to provide their own power source resulting in a significant portion of revenues going towards electricity (purchasing generators, buying fuel/diesel to run generators, etc.). Internet fees remain a huge burden to the average entrepreneur who has to pay high charges to access reliable internet.

Sixty percent said that the cost of core inputs is so high that it is "very burdensome" while 23 percent agree that this it is "moderately burdensome". Only three percent say that the cost of core inputs is not burdensome at all.

Comments from our respondents:

- Lack of storage facilities in agriculture is very expensive. All core inputs are very costly - I spend nearly 80 percent of my income on generating power daily.
- Subsidizing the cost of land for office and/or manufacturing space for young business owners to establish their businesses will go a long way to alleviating high startup and operational costs.
- We need the right infrastructure to be in place such as available land, good roads, and electricity to ease the burden of doing business on the continent.

- 7) **Limited access to business accelerator or resource centre:** Business incubators are programmes designed to focus on start-up enterprises and aid in their development and survival. Typical services that are offered by incubator programmes include: assistance with business basics; the provision of networking activities; help and advice with financial planning and financial management; easier access to bank loans and investment funds; the provision of comprehensive business training programmes; and help with regulation and legal compliance. Research has shown that the successful completion of a business incubator programme dramatically increases the long-term survival rates of businesses as compared to those who do not enter into incubator programmes.

55%
respondents agreed that
access to a business
accelerator for
support is vital to
the success of
a business/idea.

Fifty-five percent of respondents agreed that access to a business accelerator for support is vital to the success of a business/idea. Less than four percent said that this was not important.

Comments from our respondents:

- There is a need for the setting up more opportunity hubs, incubation units and entrepreneurship centres for entrepreneurship development and to help build aspiring entrepreneurs.
- Resource centres, where graduates are able to interact with each other and other like-minded creatives, will enrich brainstorming sessions where ideas are transformed into brands.

- 8) **Limited access to skills training and professional development opportunities:** While formal training in the form of entrepreneurship classes at universities are helpful to entrepreneurs, it is important that entrepreneurs have access to skills training that not only focus on non-theoretical concepts taught in academic setting, but also on actual. Many entrepreneurs lack work and practical experience and so training provide immense benefit in teaching them the business tools necessary to succeed.

Eighty-two percent agree that access to opportunities for self-improvement and development was “very important” while nine percent agree that it is “moderately important”. Only one percent say that this is “not important”.

Comments from our respondents:

- Training and “how to” workshops for small businesses on how successful brands were able to manage their structures and grow should be made available for SMEs.
- Specialized training in accounting and management can go a long way in helping the small business to thrive as management and planning skills will be strengthened.
- Capacity building and entrepreneurship training are both very important because most young people in Nigeria who have good business ideas often times like the needed skills to start, grow ,and sustain their businesses.

A more in-depth look into the specific challenges facing African entrepreneurs follows in the next section.

SURVEY METHODOLOGY AND DEMOGRAPHICS

The survey results and recommendations included in this report are based on findings sourced through a range of data collection and engagement methods employed to gain insight and input from a diverse range of key stakeholders and perspectives within Africa's entrepreneurial ecosystem including:

1a.

The Tony Elumelu Entrepreneurship network:

We administered two surveys to the entrepreneurs in our network. We sent the first survey to the 20,000 entrepreneurs in our network across all 53 African countries and received over 10 percent response rate (2223 respondents).

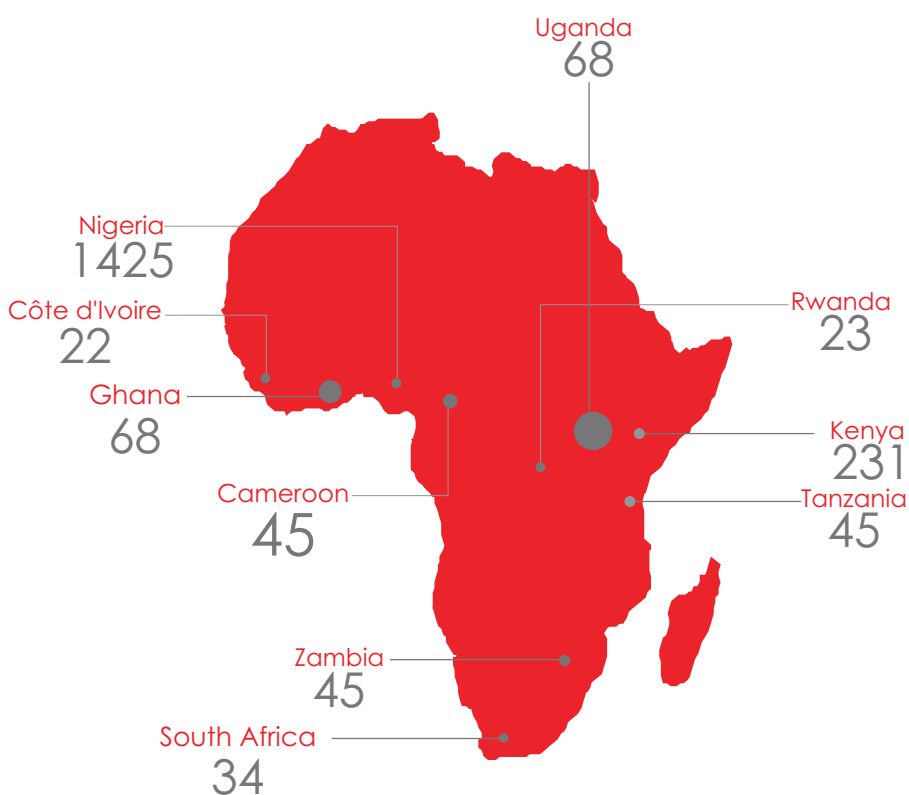
Countries With Highest
Number of Respondents

2223

Respondents from

38

African countries



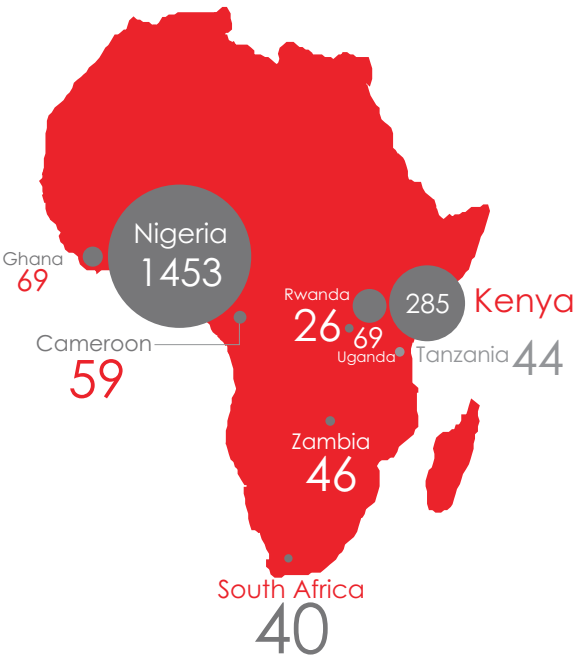


1b. The Tony Elumelu Entrepreneurship Network

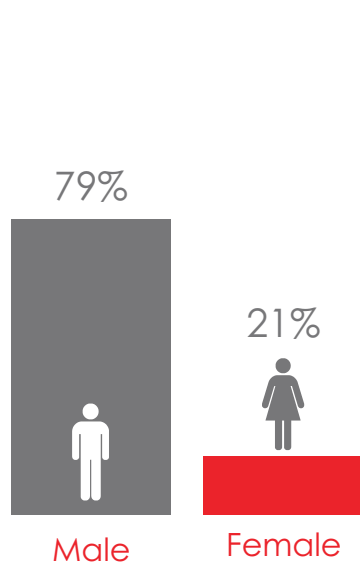
We sent the second survey to the 20,000 entrepreneurs in our network across all 53 African countries and received 2,542 complete responses. The survey was open June 29 - July 7, 2015.

Countries With Highest Number of Respondents

2542
Respondents from
52
African countries



Respondents by Gender



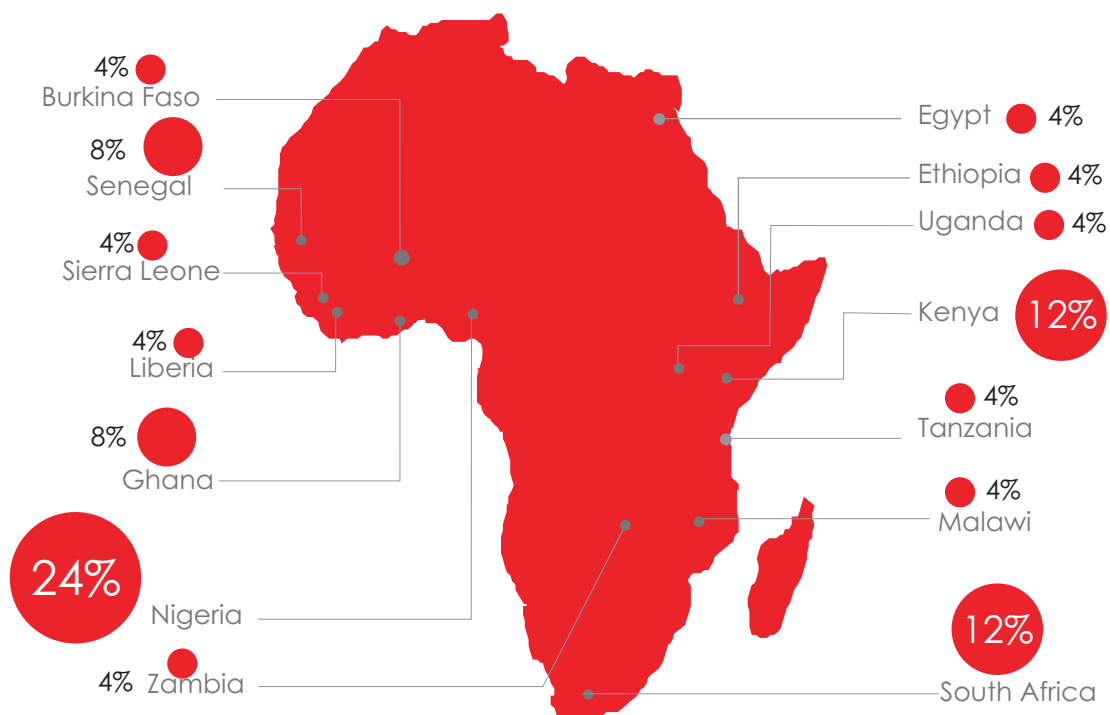
What is the stage of your business?



2 Incubators & Accelerators Across Africa

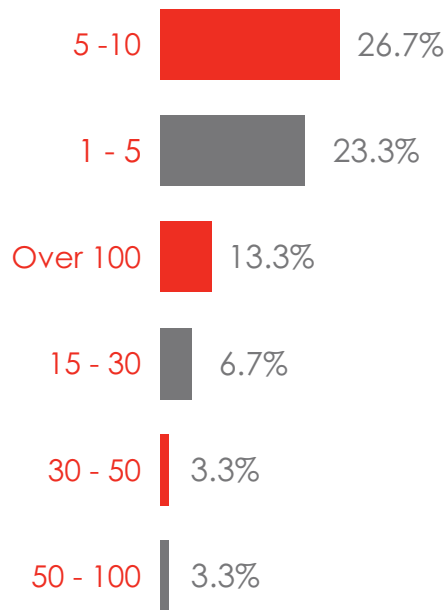
We sent a survey to a network of business incubators and accelerators across Africa. We received feedback from a diverse range of countries who provided useful insight.

Countries with the Highest Number of Respondents



2 Incubators & Accelerators Across Africa

How many start-ups are you currently working with?



What is the stage of business for the majority of the entrepreneurs you work with



SURVEY RESULTS

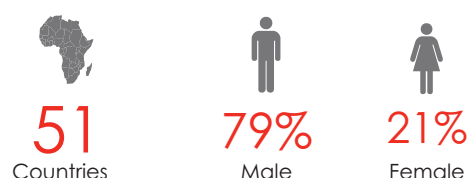
KEY FINDINGS



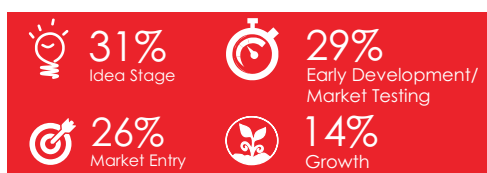
Our survey respondents came from across the continent with entrepreneurs from 51 countries completing our survey. The gender ratio was 21 percent women to 79 percent men. Thirty-one percent were in the idea stage, 26 percent in market entry, 29 percent in early development/market testing, and 14 percent in the growth phase. Twenty-six percent identified as being in the agriculture space, 13 percent in ICT, eight percent in manufacturing and seven percent in education and training.

In this section, we identify the most prevalent impediments to growth and expansion facing our African entrepreneurs:

(1) Access to finance:



The hardest part of starting up/ running a business in my country has been:



Obtaining financial capital was ranked as the biggest challenge to starting up/running a business for African entrepreneurs with a score of 13. Entrepreneurs also bemoaned the high cost of core inputs (9.98) that made production difficult and poor infrastructure (9.74) that increased operating costs and put downward pressure on profits. The absence of government incentives like tax holidays and low interest loans was also identified as a significant obstacle for startups at 9.69.

How was your start-up capital raised?



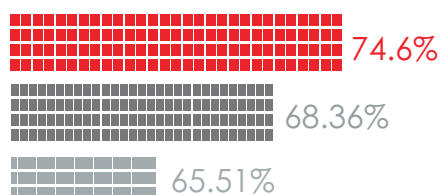
How was your start-up capital raised:

Sixty-nine percent of African entrepreneurs stated that the initial funding for their businesses was from personal savings. Most of the others revealed they received funding from friends and family (35.5 percent).



Only a small percentage (three percent) had benefitted from commercial bank loans. For many of those without personal savings or family/friends, they still remain without access to capital (26.5 percent).

Obtaining the financial capital has been difficult because:



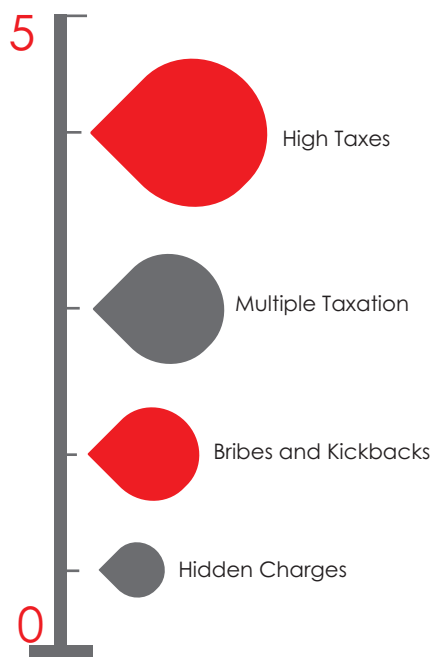
- Lack of collateral
- No personal savings
- Absence of angel investors

Obtaining the financial capital needed to get my business started/grow my business has been difficult because:

A majority of our African entrepreneurs had the most trouble securing bank loans because of a lack of personal collateral/assets (74.6 percent). While a significant portion revealed that they didn't have personal savings needed to fund their businesses, 68.36 percent blamed high interest rates charged by banks and microfinance institutions for their lack of access to finance. Nearly two-thirds (65.51 percent) of our respondents believed that the absence of angel investors

SURVEY RESULTS

Most threatening bottleneck to African entrepreneurs related to taxes and government levies:



and venture capitalists interested in African start-ups was a limiting factor to obtaining capital needed to scale start-ups.

(2) Taxes and levies

The amount I expect to pay in government-imposed taxes and fees related to my business will be high mainly because:

High taxes remained a threatening bottleneck for African entrepreneurs scoring 4.47. The frequency of multiple taxation, through formal and informal means, remained a nearly equal burden scoring 4.45. Bribes and kickbacks were another huge concern for entrepreneurs all over the continent (3.94) as well as hidden additional charges and levies that entrepreneurs had previously been unaware of (3.86).

(3) Cost of core inputs

Please rank the cost of core inputs for your business

Unsurprisingly, land (inclusive of cost of building, building maintenance and rent) was ranked as the most expensive core input (7.29 out of 10). Energy costs (inclusive of electricity bills, self-provided power alternatives like generators, cost of maintaining generators and fuel costs) was the second highest with a score of 6.56. Many entrepreneurs could also not afford the sort of heavy and specialized machinery needed to operate (6.08) and the cost of raw materials for many of our respondents were too high mainly because due to transportation costs (worsened by poor infrastructure).

(4) Labour

I haven't/ will not be able to find employees with the skills I need to help grow and run my business because:

Almost two-thirds (62.9 percent) admitted that though competent prospective employees exist, they can't afford to employ them currently. Half of our respondents disagreed that competent employees were available and blamed the poor state of education in their country for this. About a third of our entrepreneurs suffer from labour shortages because they do not have the in-house capacity to identify and match existing talent in the labour market and a quarter (25 percent) complain that there are too few graduates in their industry.

Labour



62.9%

believe competent employees exist, but can't afford to employ them



25%

Complained there are too few graduates in their industry

SURVEY RESULTS

In this section, we ask our African entrepreneurs about ways the government can reduce the bottlenecks affecting their businesses:

1) If a contractual dispute arises with a vendor or a customer/client, I don't believe the legal system is adequate to resolve the issue fairly and quickly because:

Across the continent, entrepreneurs agreed that resolving legal issues generally involved lengthy periods of time that they could not afford to lose (82 percent). Another impediment to efficiently resolving cases was the cost of lawyers and arbitrators as many small business owners revealed that they could not afford expert representation. The corruption of the judicial system worried many entrepreneurs as bribes and kickbacks were common (70 percent), and 68 percent suggested that the legal process was cumbersome and intimidating.

2) Understanding and complying with government regulations and other operating requirements could be improved by:

African entrepreneurs generally expressed frustration with the difficulty in complying with regulations caused by the extensive bureaucracy in government agencies (79.8 percent). "Over two-thirds (67.4 percent) agreed procedures that reducing the time spent going through compulsory procedures in the ministries will help them comply better with rules while 66.1 percent urged for a more aggressive dissemination of information about regulations and guidelines. More than half of the respondents (56.3) believed that many regulations were contradictory and urged for these to be reviewed.

3) What is the most important incentive that government can provide to you:

The majority of the entrepreneurs (78.84 percent) need more tax relief (tax breaks, tax holidays, etc.) for their start-ups and small businesses. Nearly three-quarters (73.6 percent) expressed frustration with the poor state of power in their countries and needed government to incentivise small business owners to continue with their businesses by reducing the frequency and duration of power outages. Our African entrepreneurs (71 percent) wanted subsidized access to credit to fund and grow their start-ups (60 percent called for more transparency in the disbursement of government loans) and 64 percent wanted free training workshops that focused on specialized skills sets and deepening their entrepreneurial competencies.

82%



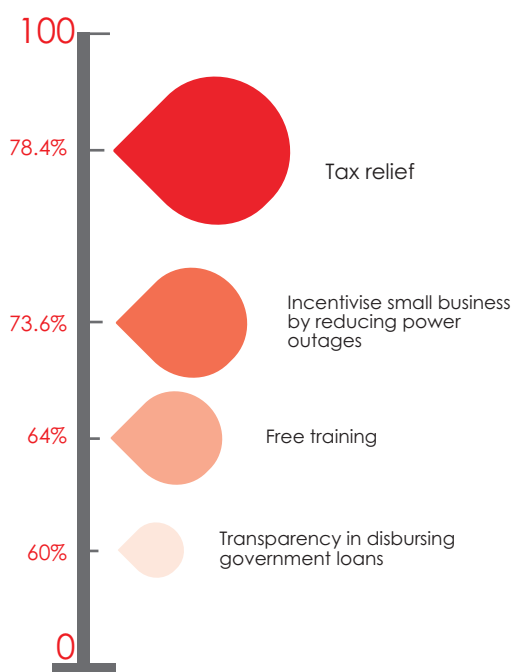
Entrepreneurs said lengthy periods of time involved in resolving cases show the inadequacy of the legal system.

67.4%



of the respondents believed that there is need to reduce the time spent on compliance with government regulations.

Most important government incentives



SURVEY RESULTS



65%

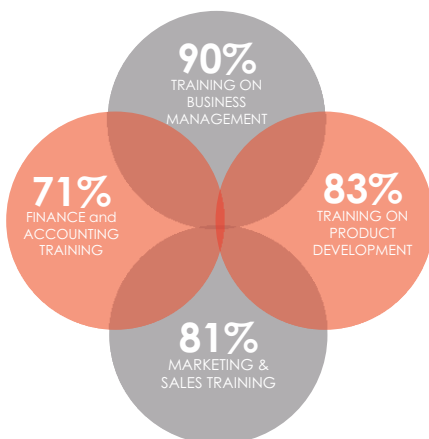
of our respondents believed there is a need for more government funded incubators to reduce costs of input for business.

4) Government will reduce the cost of inputs greatly for me by:

Our entrepreneurs agreed that the most effective way to reduce the cost burden for entrepreneurs was by improving the power sector so that there is cheaper and more reliable power supply. In addition, the majority of our entrepreneurs indicated that there was need for more government-funded incubators and accelerators to support and guide start-ups (65 percent). sixty-three percent urged government to improve the quality of general infrastructure (roads, rails, ports, markets, etc.) and 60 percent desired a less costly and shorter registration process.

In this section, we asked questions that highlight the benefits of training and networking opportunities for African entrepreneurs

What kind of training do African entrepreneurs need?



1) Access to skills training and professional development opportunities is important for:

Most of our entrepreneurs wanted easier access to trainings that focused on business management (90 percent), strategy and product development (83 percent), marketing and sales (81 percent) and financial and accounting (79 percent).

2) Access to a business start-up accelerator or resource centre has been important as they:

The vast majority (80 percent) of our entrepreneurs acknowledged that associations and accelerators offer fantastic opportunities for networking. They also agree that incubators and accelerators provide much needed technical support in the form of mentoring (78 percent) and specialized business counselling (75 percent). Seventy-four percent expressed that incubators are also beneficial as they help to identify obstacles to growth that the entrepreneur otherwise would not have known.

3) Interacting with peers has been helpful because:

The importance of peer interaction cannot be overemphasised. Nearly all respondents (93 percent) value the encouragement and motivation received from other entrepreneurs. Eighty-seven percent of respondents share business information with other entrepreneurs while 86 percent used the opportunity to brainstorm on ideas for growth. 78 percent of our entrepreneurs took advantage of such interaction to explore prospective business partnerships

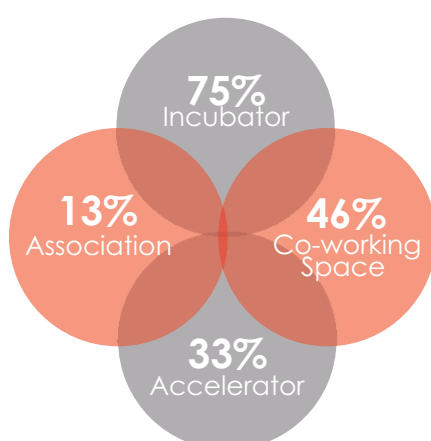
INCUBATOR SURVEY

The majority of our respondents (66 percent) belong to an incubator/accelerator while 34 percent do not. However, all of our surveyed entrepreneurs are of the opinion that incubators offer vital support to entrepreneurs and reinforce the entrepreneurial ecosystem. As a result, we surveyed incubators from across the continent to gain deeper insight into the specific challenges facing African entrepreneurs and how incubators can assist startups in overcoming these barriers and what they believe government can do to lighten the African entrepreneurial burden.

Our respondents came from 15 countries across the continent (across all regions) and are a mix of incubators, co-working spaces, and accelerators. On average, each respondent is currently working with about 15 start-ups in varying stages of development: idea (10 percent), market entry (40 percent), early development/market testing (40 percent), and growth (10 percent)

In this section we delve deeper in the structure and set up of incubators in Africa

How do you describe your enterprise?



1) How do you describe your enterprise?

Our respondents identified as incubators (75 percent), co-working spaces (46 percent), accelerators (33 percent) and associations (13 percent).

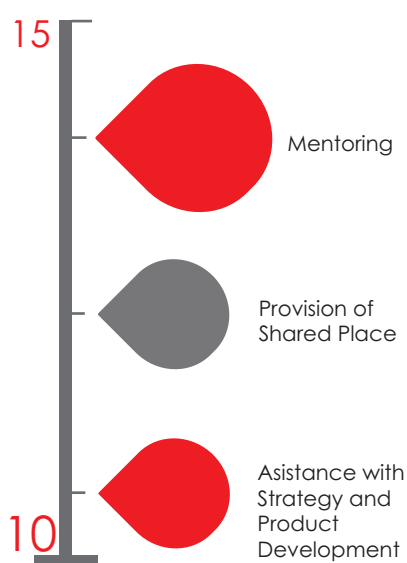
2) Where does your enterprise get its funding from?

The majority of our respondents received their funding from private businesses (74 percent), while 43 percent charge membership fees. Only 6 percent received some sort of support from the government.

3) On average how long does a company spend with your enterprise?

Most of our respondents stated that start-ups spend 6-12 months with them (47.3 percent) while 32 percent said they spend 1-2 years. Twenty-one percent stated that start-ups are with them for more than two years.

Relevance of services provided to entrepreneurs



In this section we explore the impact of incubators in Africa and the numerous benefits they offer African entrepreneurs

1) Please rank the services you provide according to how relevant you think entrepreneurs find them?

The majority of our respondents believed that the mentoring they provide is the most useful service to entrepreneurs (11.69). The next highest rated services are the provision of shared space (10.93) and assistance with strategy and product development (10.93). In addition our respondents stated that start-ups valued the business management training that accelerators offered.

SURVEY RESULTS

Why international investors are unwilling to invest in your country?



70%

of our respondents mostly blamed lack of an investment culture for the unwillingness of international investors to invest in their country

How to improve the process of accessing capital for entrepreneurs?

70%

Wealthy citizens should become philanthropists

57%

Establish more incubators

2) Please rate your success up to now in terms of achieving your goal of providing support to entrepreneurs

Sixty-three percent of our respondents rated themselves as "moderately" achieving their goals and objectives, while 37 percent gave themselves a "high" assessment.

In this section we discuss investor-confidence in African start-ups:

1) Please rate local and international investors' willingness to invest in start-ups in your country

Forty-four percent of respondents thought that international investors remain "uncertain" about investing in Africa, while 44 percent say that investors are "enthusiastic" about investing on the continent.

2) Why do you think more local and international investors are not willing to invest in start-ups in your country?

Seventy percent of respondents blamed the "lack of an investment culture" for the little interest shown so far in investing in African start-ups and 65 percent answered that a lack of trust was the main reason for the limited investments on the continent. Fifty-three percent believed that because investors prioritise "quick returns" they are dissuaded from investing in start-ups on the continent.

In this section, we find out what recommendations the incubators propose to improve the business enabling environment for entrepreneurs.

1) From your experience, the hardest part of starting up/running a business for entrepreneurs in your country has been?

Our respondents labelled "obtaining financial capital" as the leading challenge facing entrepreneurs and start-ups. A significant percent of respondents found that many African entrepreneurs do not understand venture capital and equity deals (10.64 percent). The process of registering a business ranked third (10.54) as incubators and accelerators agreed that this process is especially tedious for entrepreneurs.

2) From your experience, what do you think entrepreneurs can do to solve some of the issues listed above?

Eighty-four percent of our respondents believed that entrepreneurs should join a local incubator, accelerator, or business association for support. A good number urged

SURVEY RESULTS

How to solve problem of steep taxes and multiple taxation?



90%

of our respondents believed government should offer tax breaks for start-ups

entrepreneurs to explore alternative financing models (especially equity), and share space to split overhead costs (63.1 percent). Over half of our respondents (58 percent) advised entrepreneurs to take advantage of all available business and professional development training.

3) From your experience, how can the process of accessing capital be made easier for entrepreneurs?

About 70 percent of respondents called on wealthy citizens to become philanthropists and angel investors, while over half (57 percent) called for the establishment of more incubators and accelerators.

How to lessen the burden of compliance with government regulations?



90%

of our respondents believe that incubators should educate entrepreneurs on existing regulation

4) What do you think can be done to solve the problem of steep taxes and multiple taxation facing local entrepreneurs in your country?

Nearly all of our respondents (90 percent) agree that government should offer more tax breaks to start-ups. Sixty-nine percent called on entrepreneurs to educate themselves on all existing regulations so that they are more informed. Fifty-eight percent recognised the needed for incubators and accelerators to work closely with start-ups to prevent multiple taxation.

What areas should government and policy makers put more effort in to improve the success of incubators?

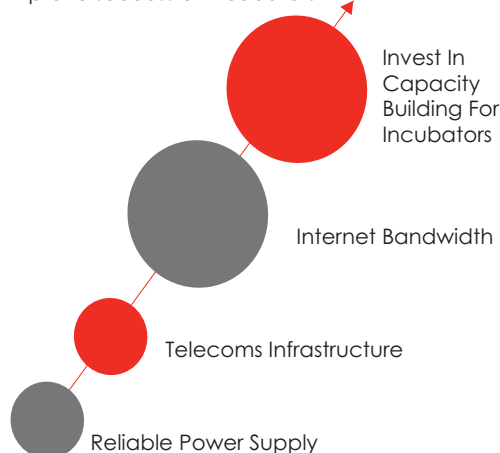
78%

of our respondents believed in investment in capacity building for incubators

5) Many entrepreneurs have noted the difficulty involved in complying with government regulation. What do you think can be done to lessen this burden?

Nearly 90 percent of respondents stated that business associations and incubators should work closely with entrepreneurs to educate them on these regulations and provide legal services to defend start-ups where needed. Sixty-seven percent counselled entrepreneurs to do thorough research on existing regulation to be more prepared to comply with regulation.

Recommended areas for government and policy makers to put in more efforts to improve success of incubators

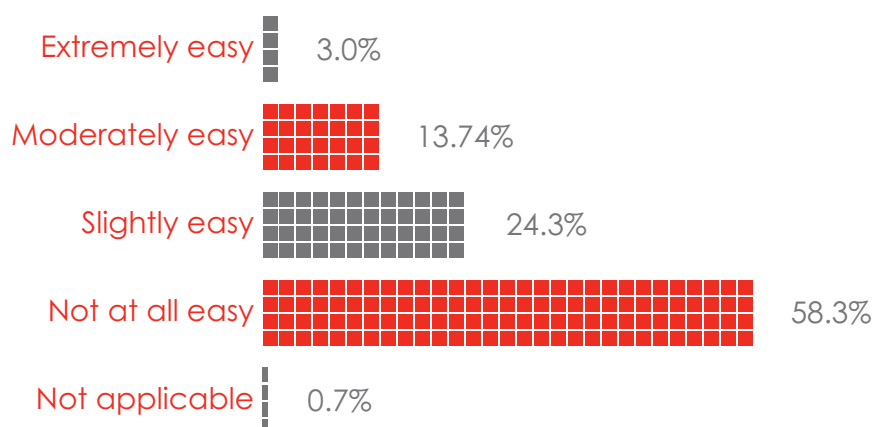


6) What are the areas that you would like to see the government and policy makers put more effort in so as to improve the success of business incubators, start-ups, and early stage businesses?

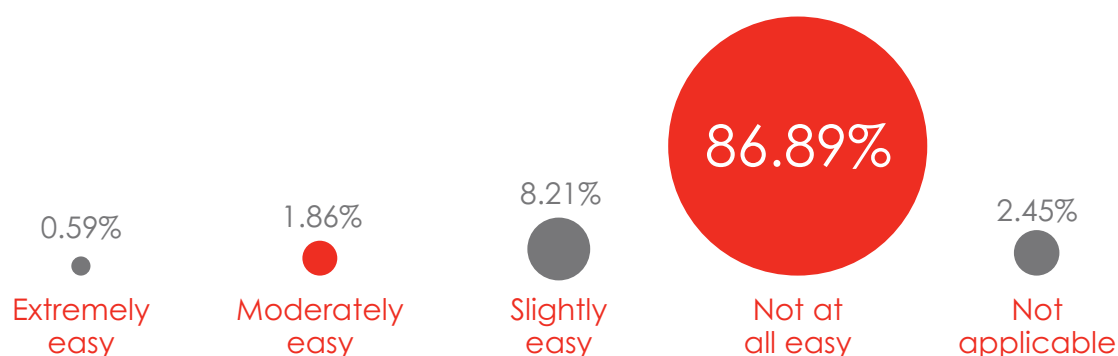
Seventy-eight percent of respondents appealed to governments to invest in capacity building incubators that support start-ups. In addition, majority ask that there are more investments in internet bandwidth (78 percent), telecoms infrastructure (56 percent), and power infrastructure for more reliable power supply (56 percent).

Survey 1: Developing an enabling environment for African entrepreneurs

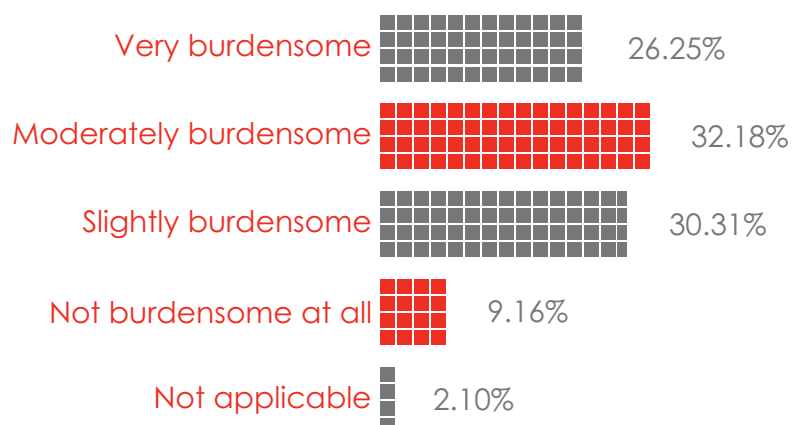
Q1: How easy has it been to start a business in your country of residence?



Q2: How easy is it to obtain the financial capital needed to get your business started?

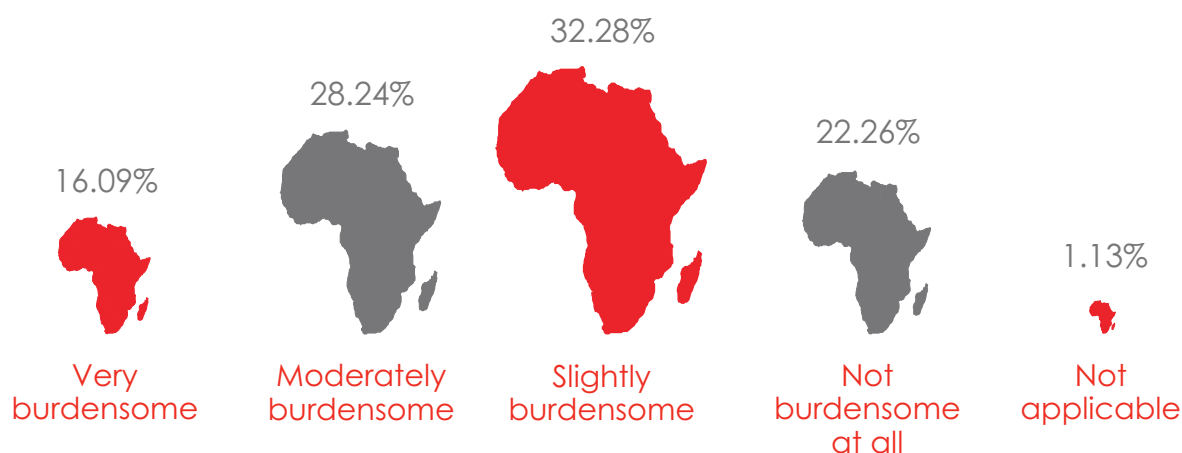


Q3: Is the amount paid in government-imposed taxes and fees related to your business burdensome?

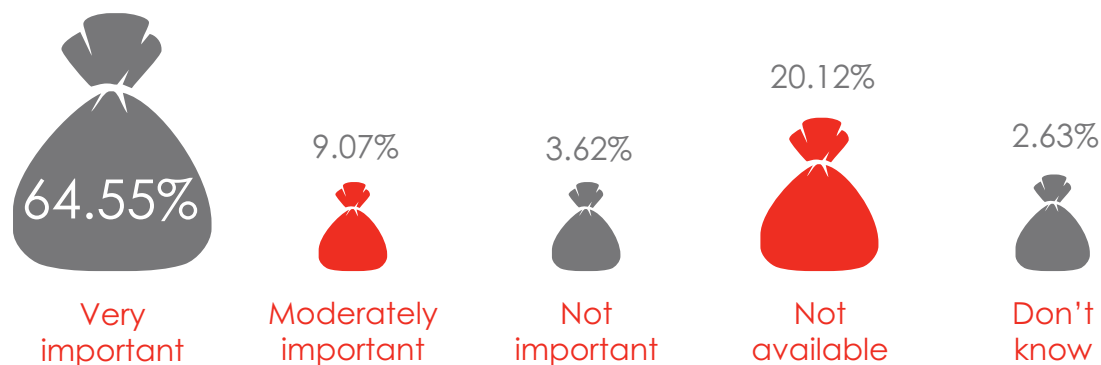


SURVEY RESULTS

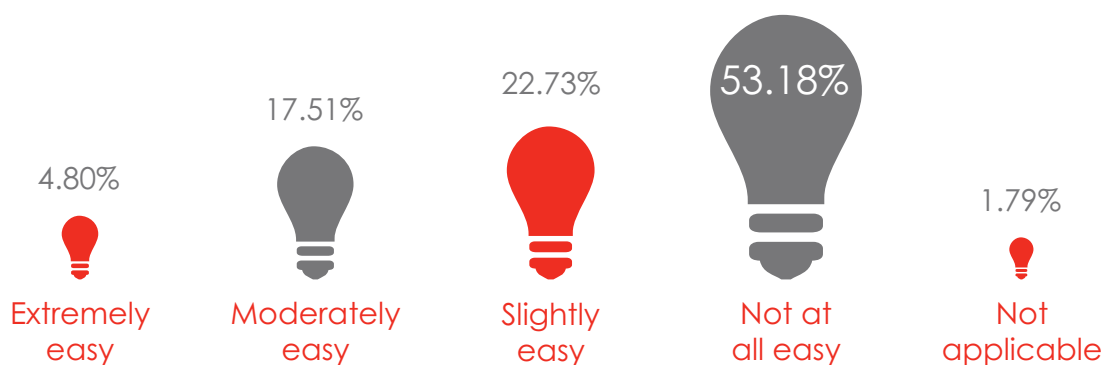
Q4: How burdensome was it to understand and comply with government regulations and other operating requirements?



Q5: How important is availability of government-provided incentives (e.g. tax holidays, subsidized land, low-interest loans) to your business?

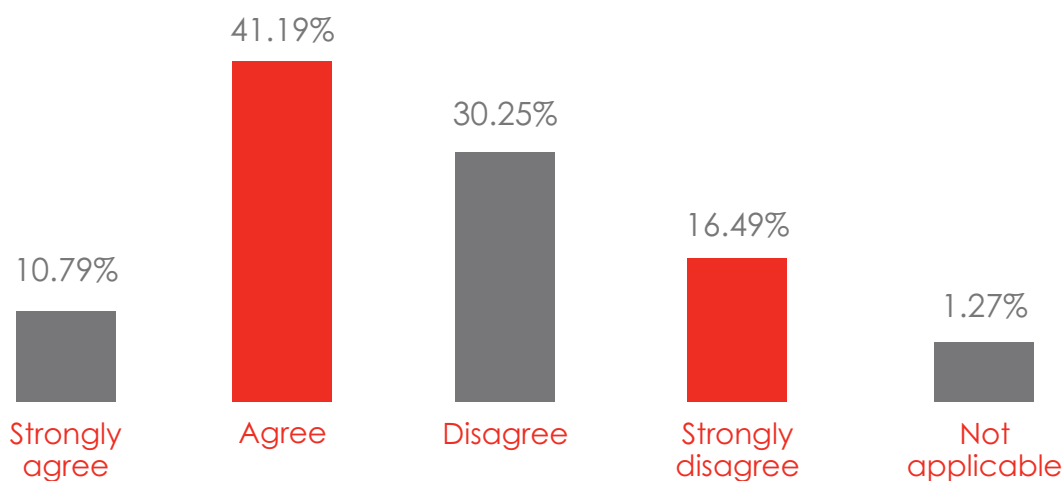


Q6: Is it easy to have access to material inputs your business requires to succeed, such as machinery, technology, equipment, and raw material?

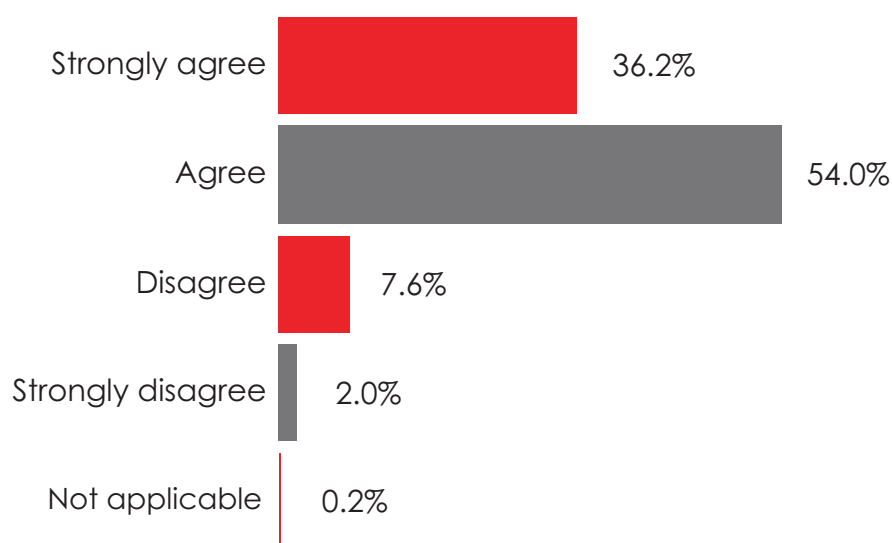


SURVEY RESULTS

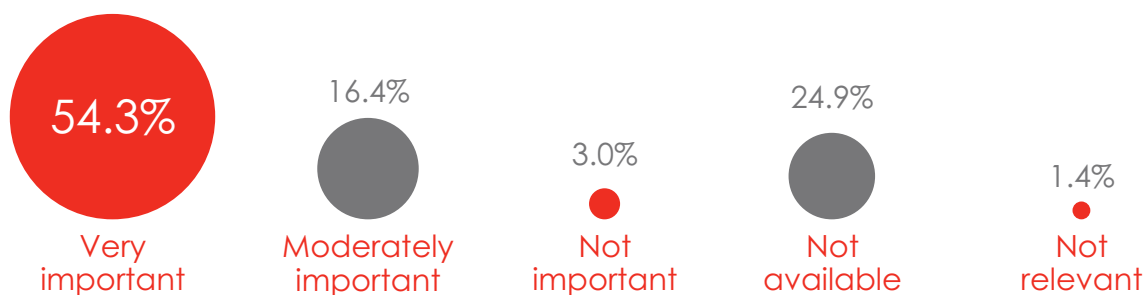
Q7: If a contractual dispute arises with a vendor or a customer/client, I believe the legal system is adequate to resolve the issue fairly and quickly



Q8: I have/will be able to find employees with the skills I need to help grow and run my business

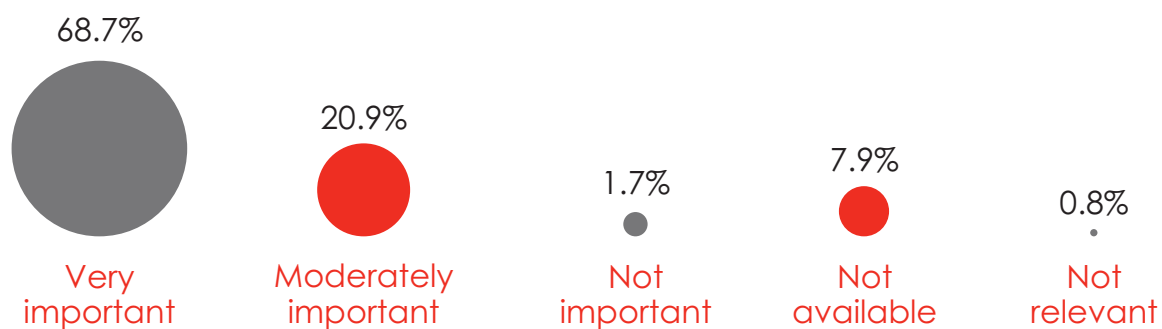


Q9: How important is access to business start-up accelerator or resource centre to your business?

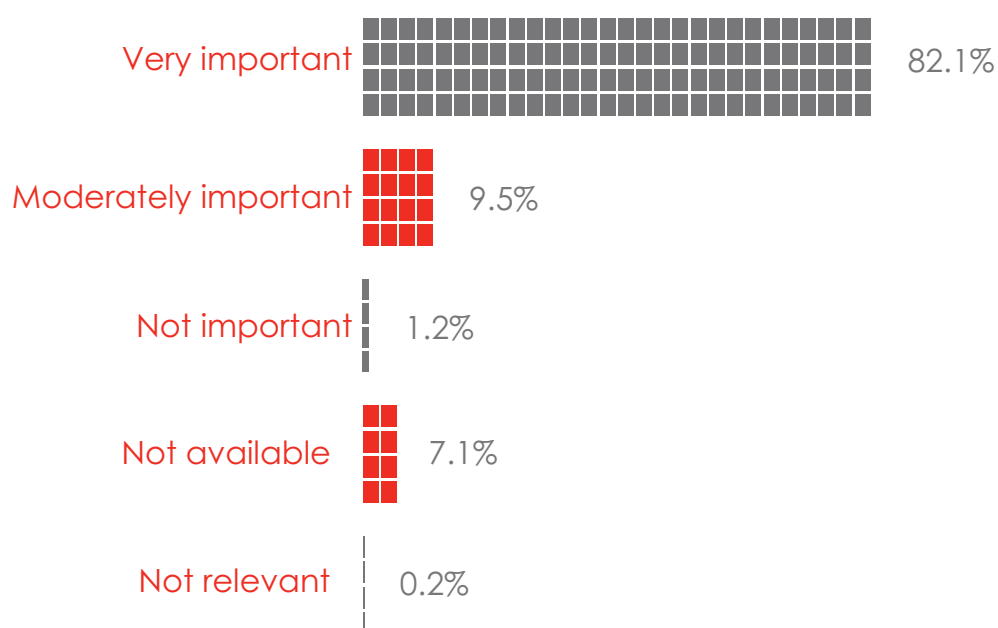


SURVEY RESULTS

Q10: How important is interaction with peers to share information and best practices to your business?

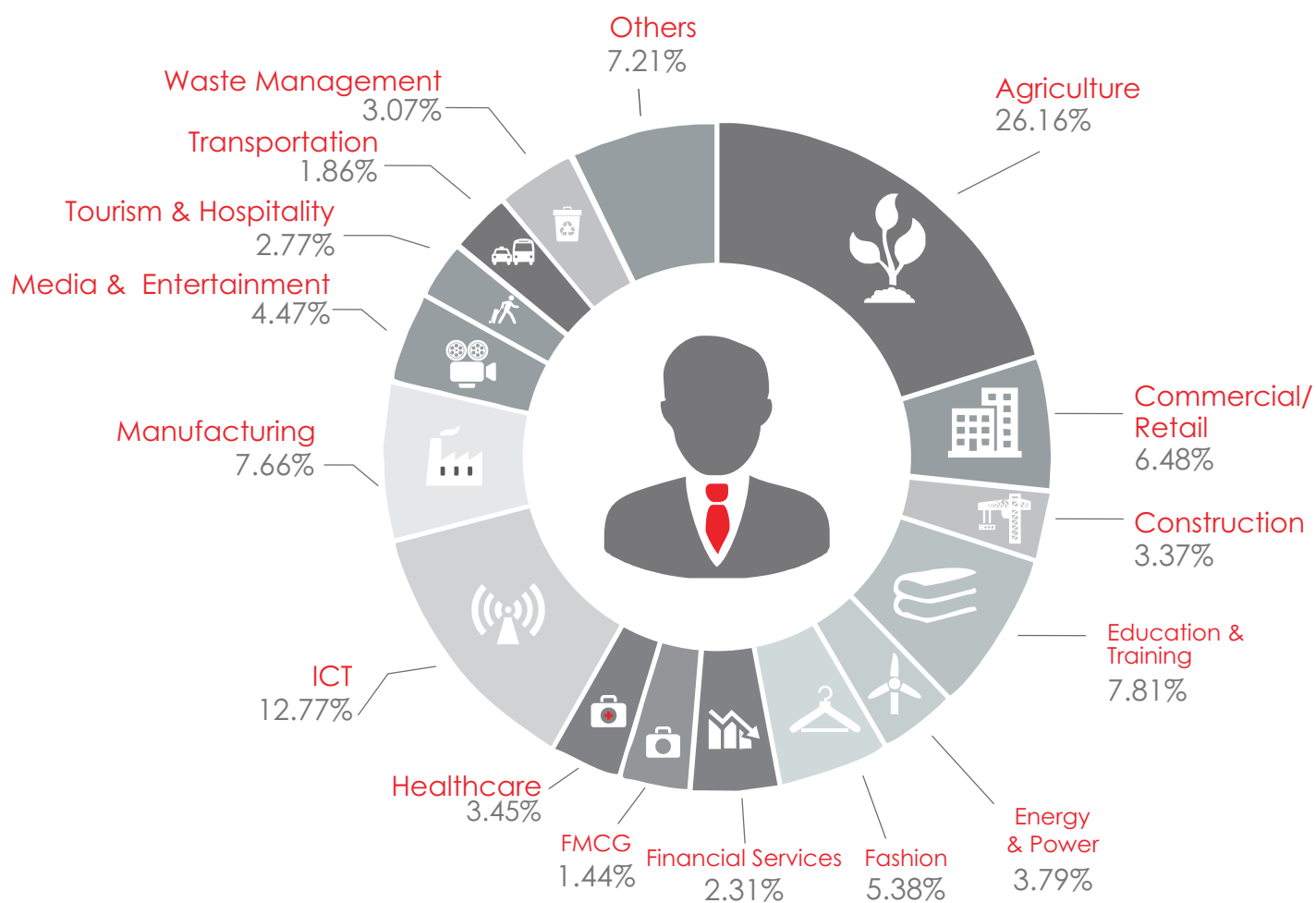


Q11: How important is access to skills training and professional development opportunities to your ability to be successful?

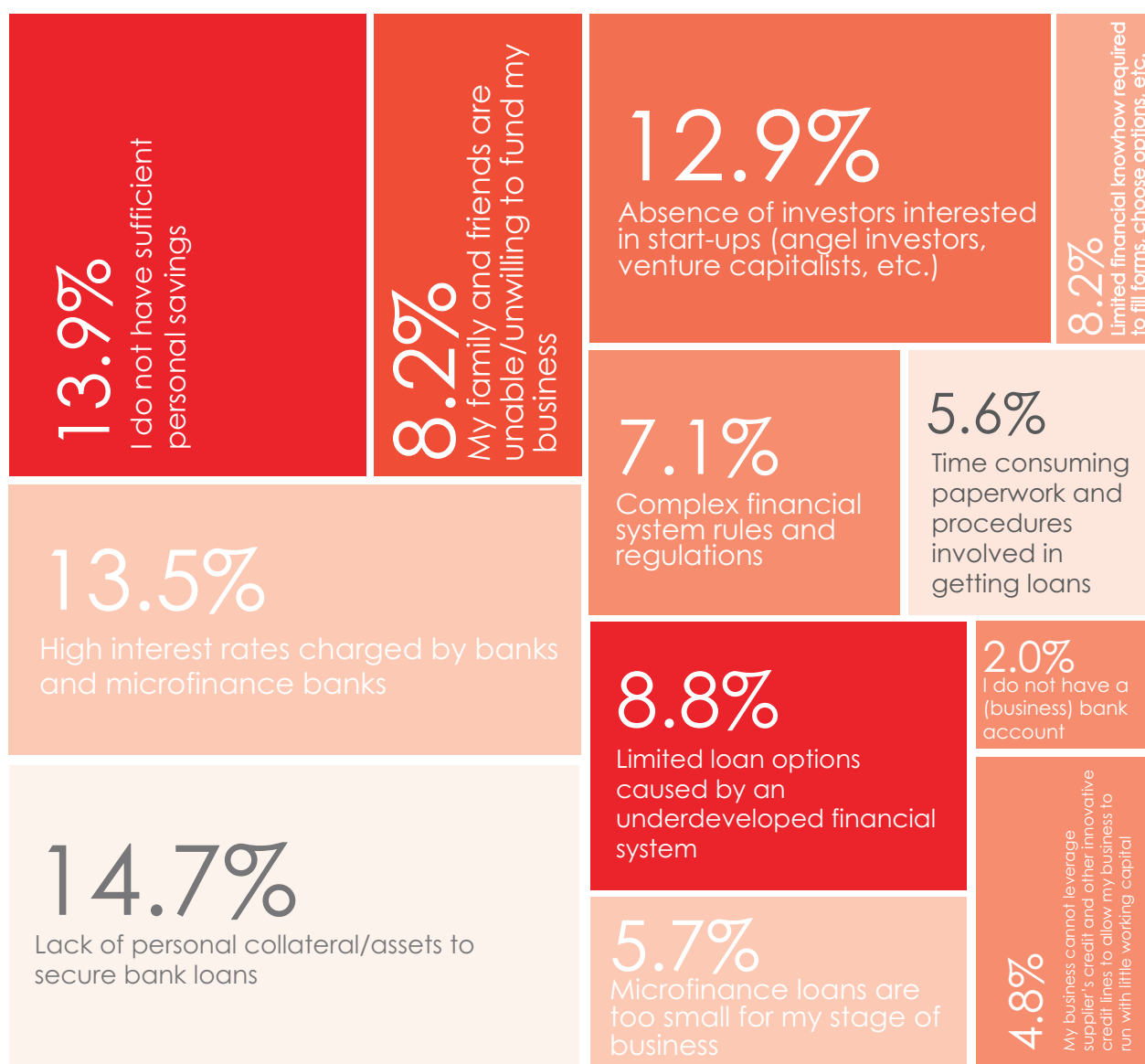


Survey 2: Developing an enabling environment for African entrepreneurs

Q1: What sector/ industry best describes your business or idea?

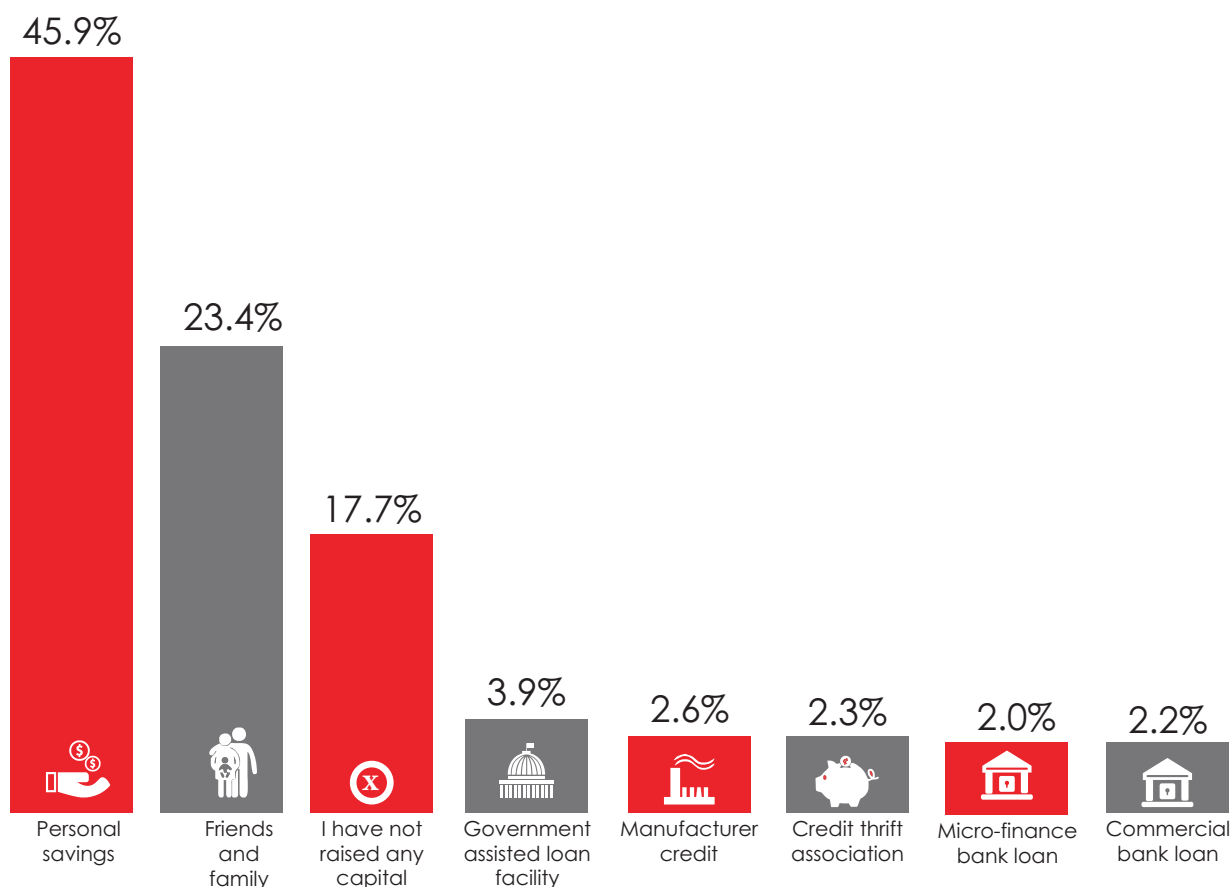


Q2: Obtaining the financial capital needed to get my business started has been difficult because.

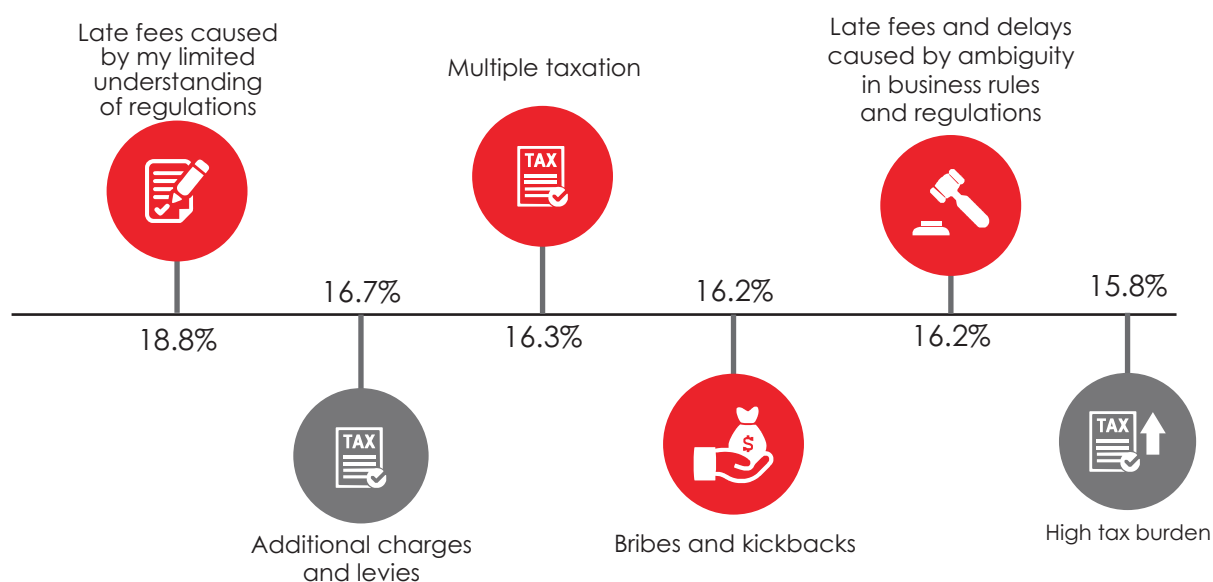


SURVEY RESULTS

Q3: How was your start-up capital raised?

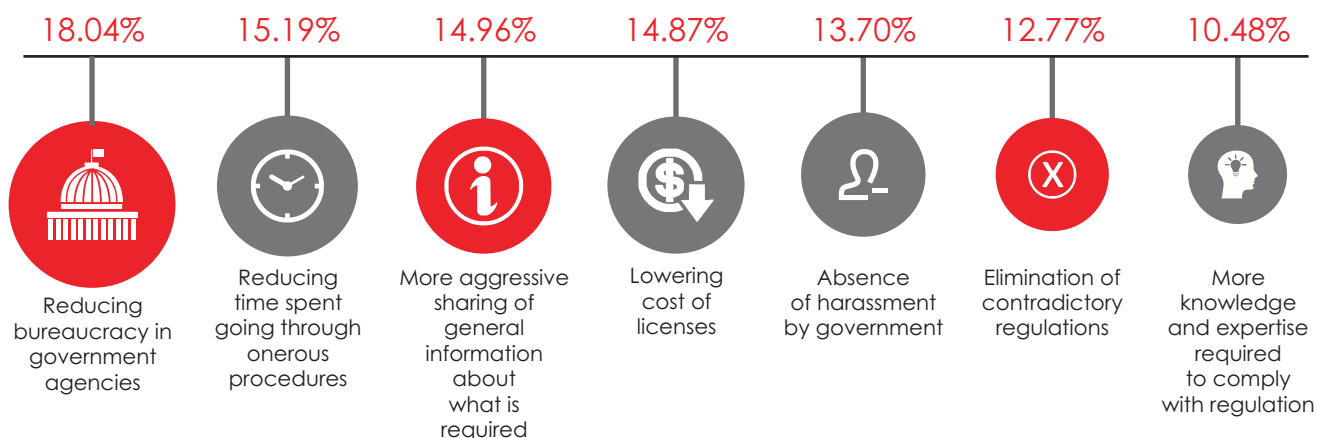


Q4: The amount I expect to pay in government-imposed taxes and fees related to my business will be high mainly because

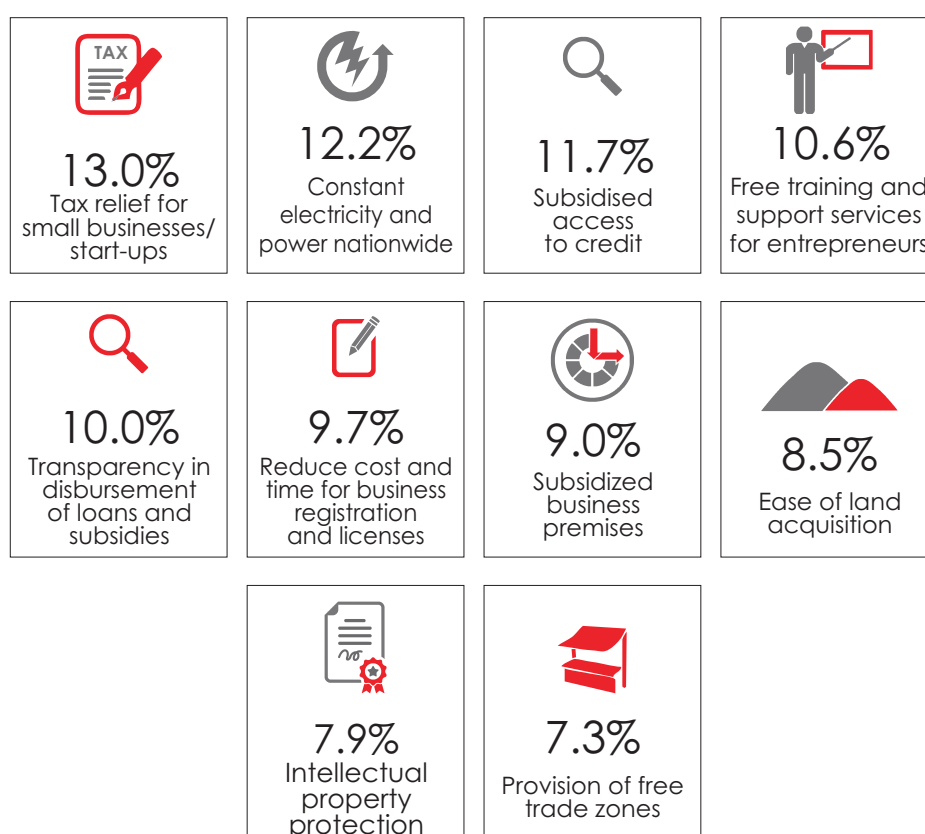


SURVEY RESULTS

Q5: Understanding and complying with government regulations and other operating requirements could be improved by



Q6: What is the most important incentive that government can provide to you?

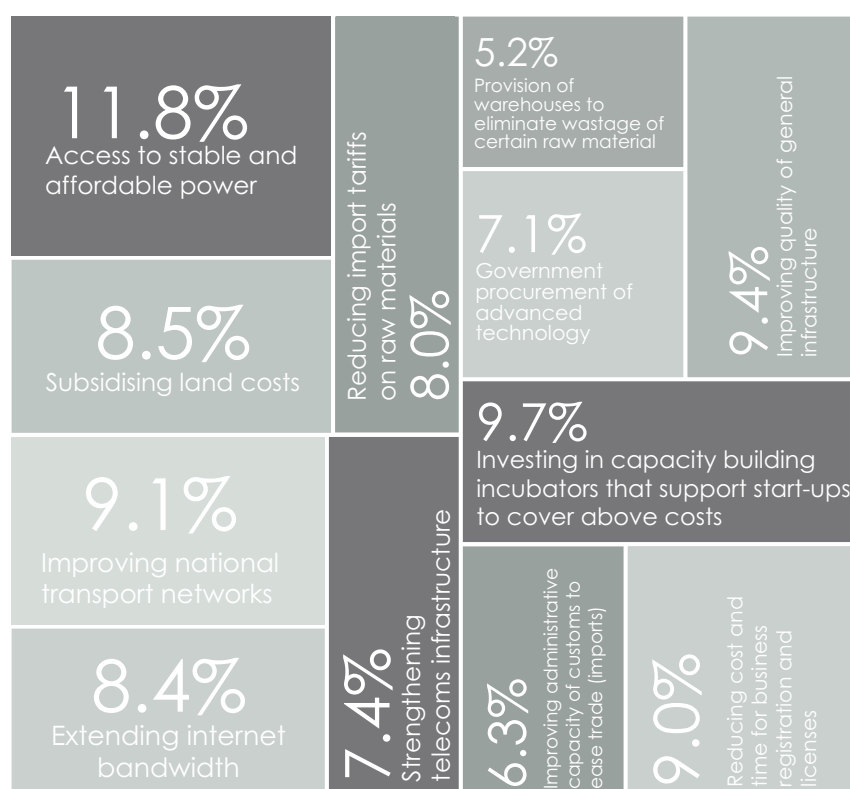


SURVEY RESULTS

Q7: Please rank the costs of the below core inputs

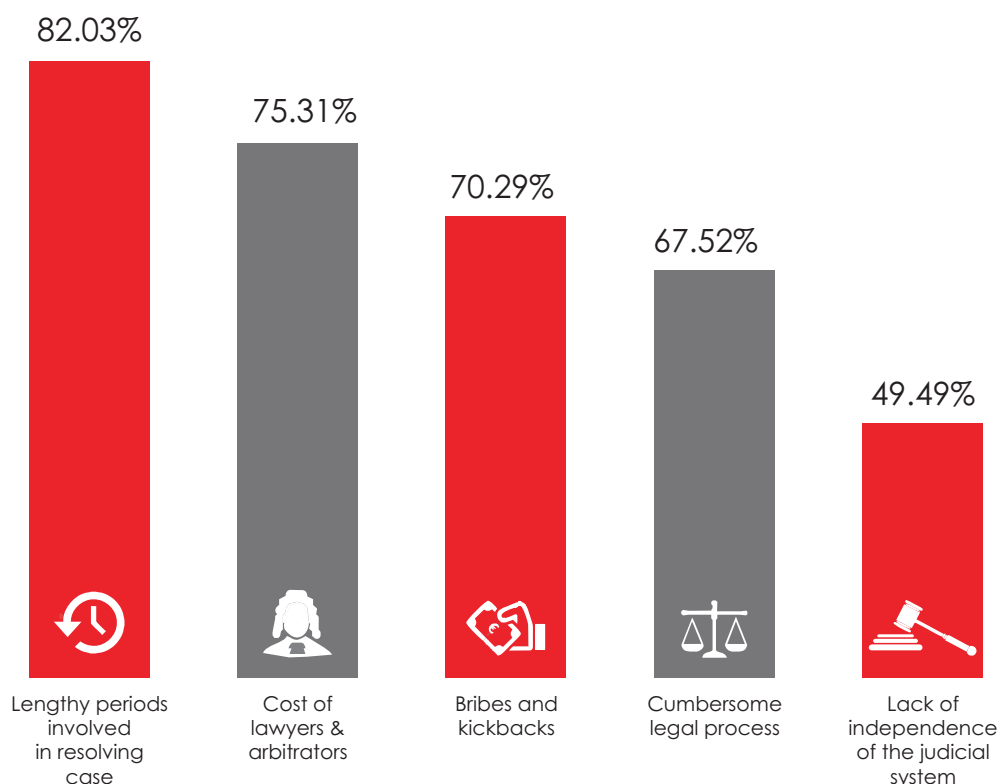


Q8: Government will reduce the cost of inputs greatly for me by



SURVEY RESULTS

Q9: If a contractual dispute arises with a vendor or a customer/client, I don't believe the legal system is adequate to resolve the issue fairly and quickly because

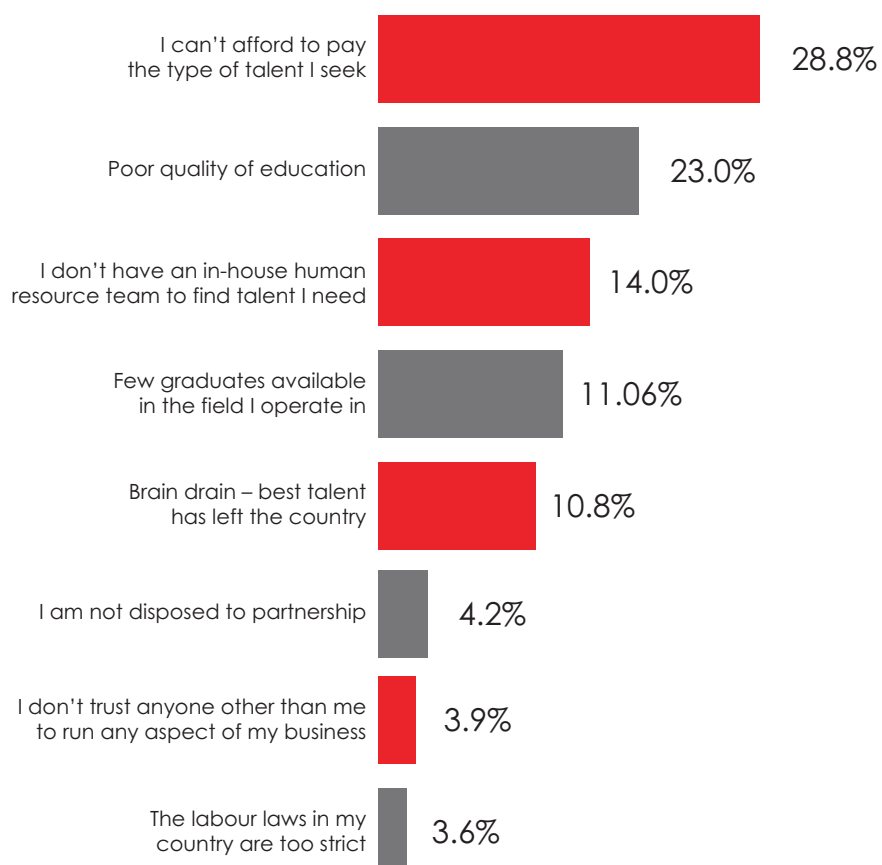


Q10: The hardest part of starting up/ running a business in my country has been

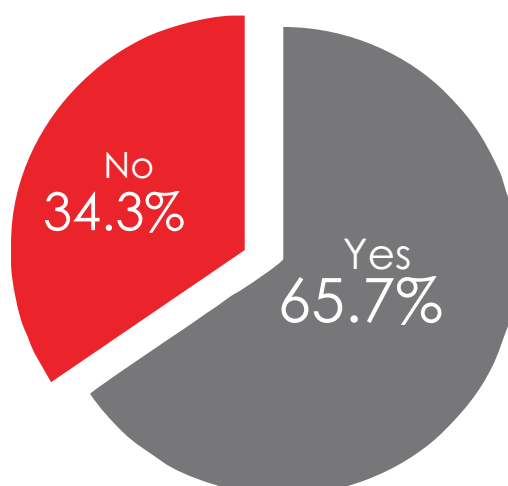


SURVEY RESULTS

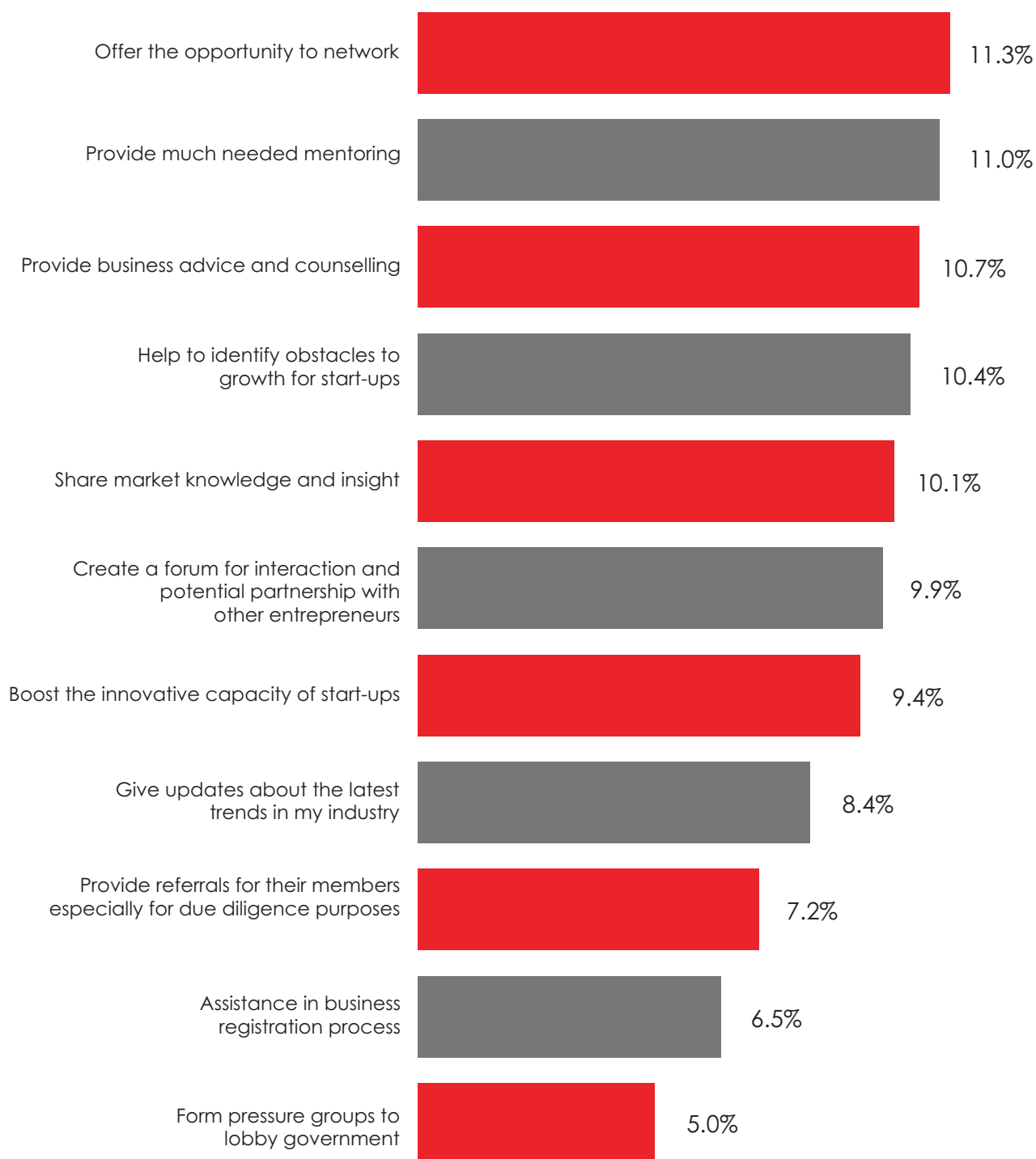
Q11: I haven't/will not be able to find employees with the skills I need to help grow and run my business because



Q12: I am a part of a business incubator, accelerator, association, or trade group

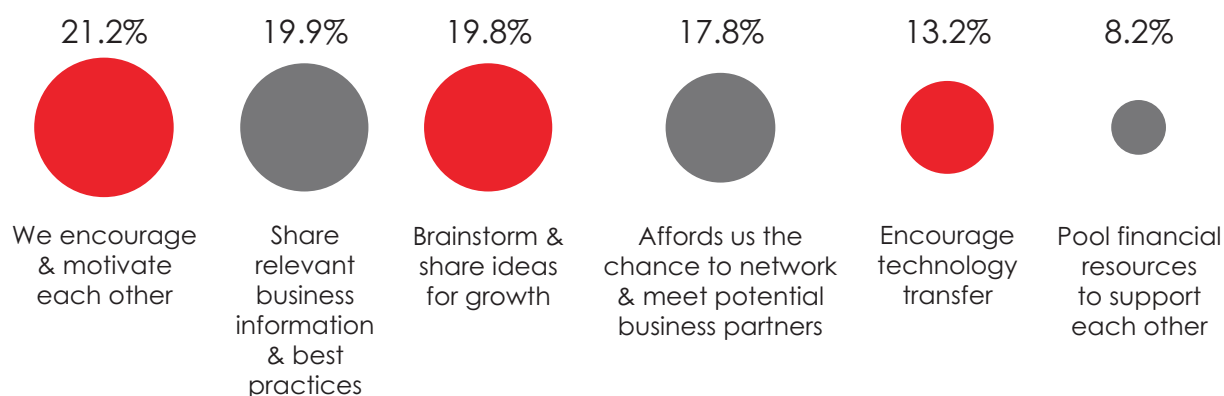


Q13: Access to a business start-up accelerator or resource center has been important as they



SURVEY RESULTS

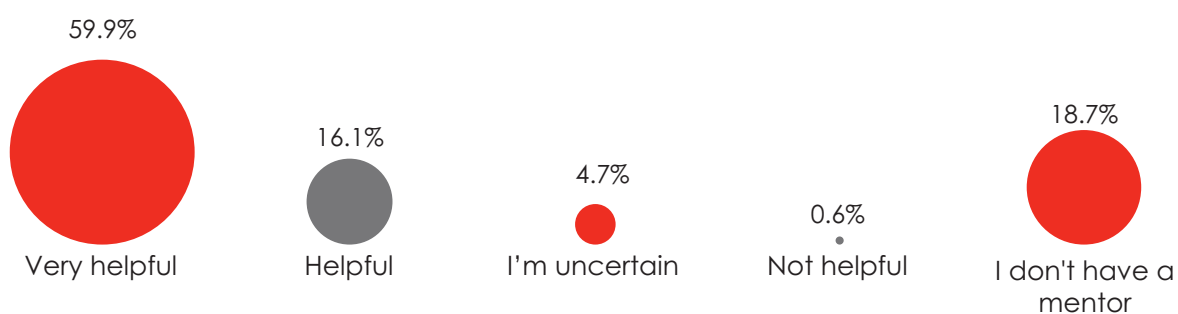
Q14: Interacting with peers has been helpful because



Q15: Access to skills training and professional development opportunities is important for



Q16: I have found that having a mentor to guide my business has been

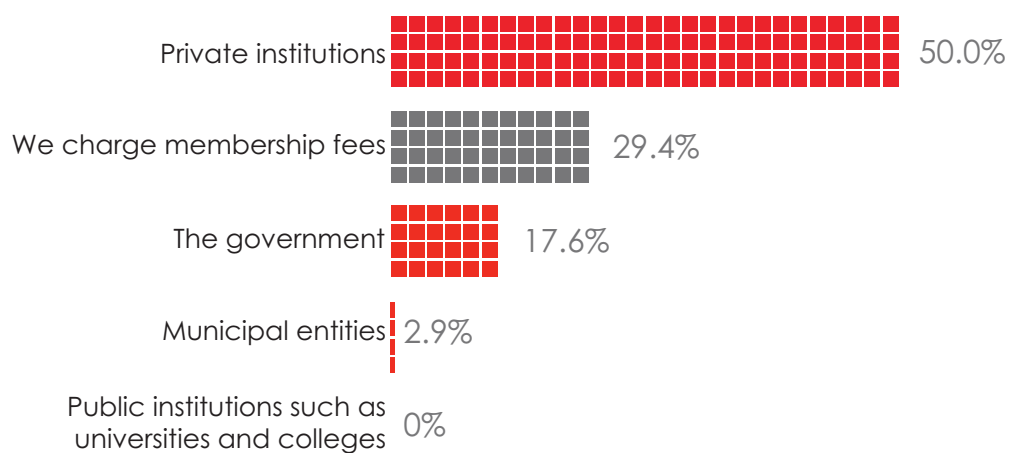


Survey 3: Incubator survey

Q1: How do you describe your enterprise?



Q2: Where does your enterprise get its funding from?



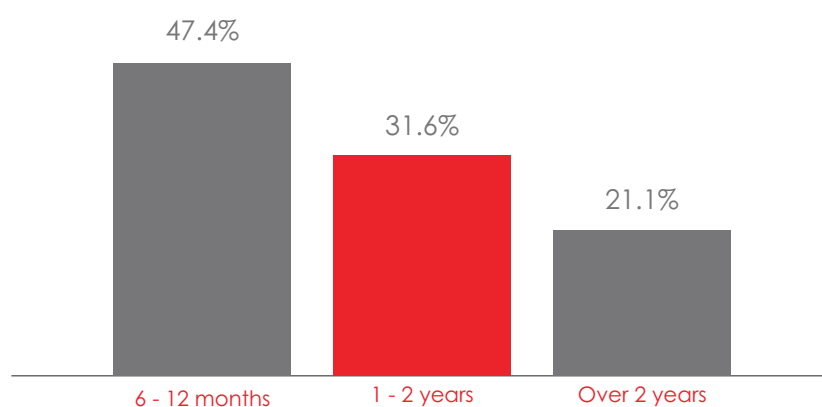
SURVEY RESULTS

Q3: Please rank the services you provide according to how relevant you think entrepreneurs find them

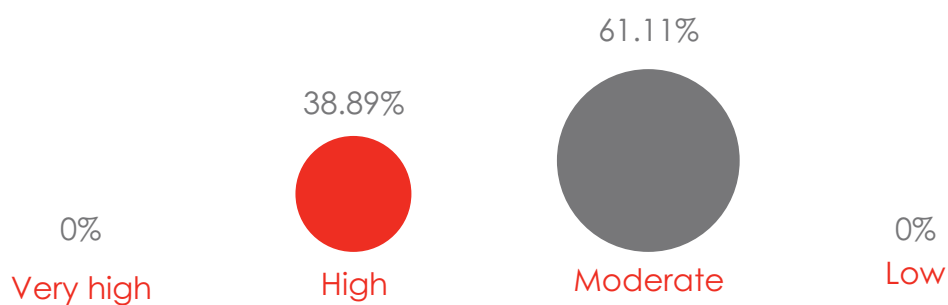


SURVEY RESULTS

Q4: On average how long does a company spend with your enterprise?

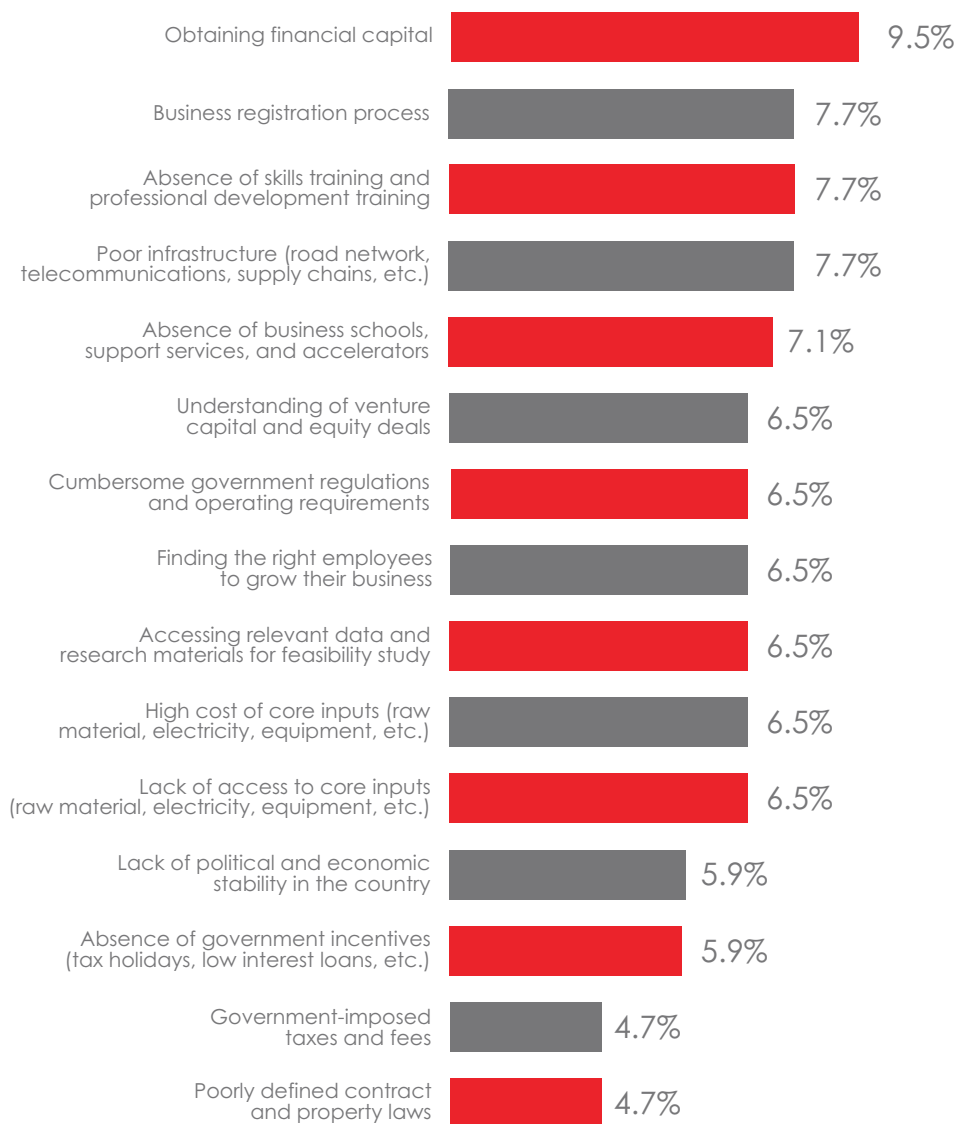


Q5: Please rate your success up to now in terms of achieving your goal of providing support to entrepreneurs



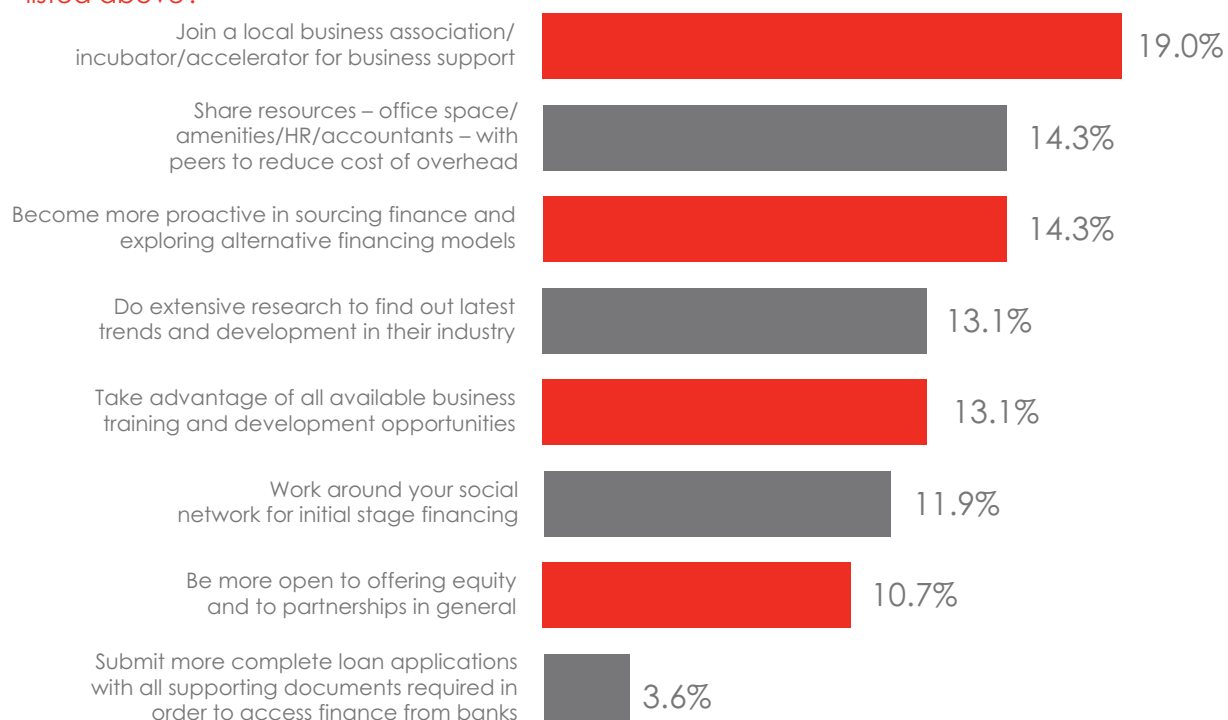
SURVEY RESULTS

Q6: From your experience, the hardest part of starting up/running a business for entrepreneurs in your country has been

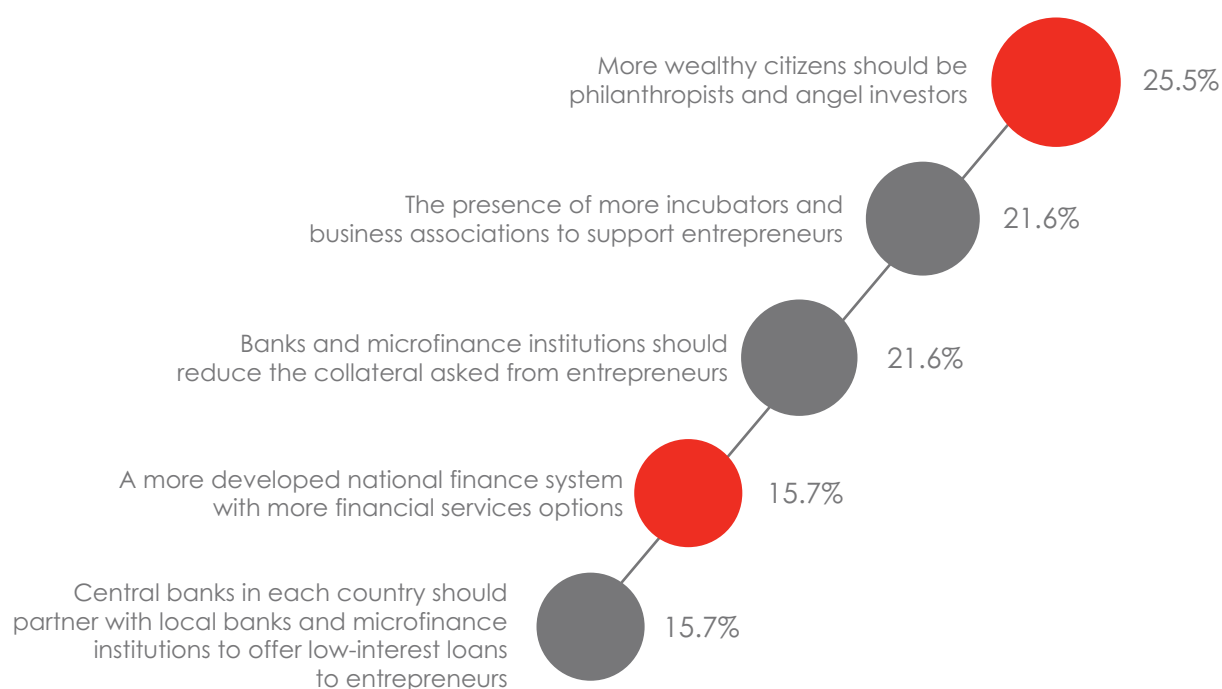


SURVEY RESULTS

Q7: From your experience, what do you think entrepreneurs can do to solve some of the issues listed above?

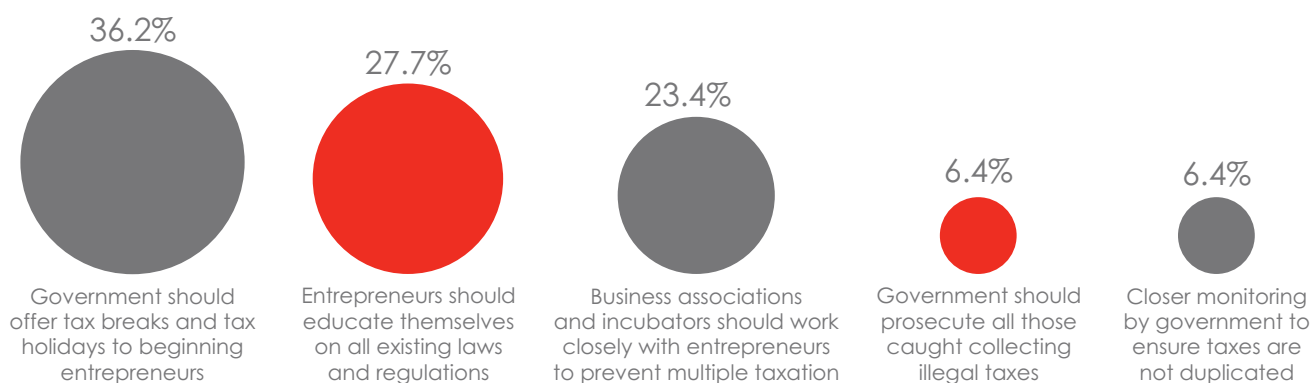


Q8: From your experience, how can the process of accessing capital be made easier for entrepreneurs?

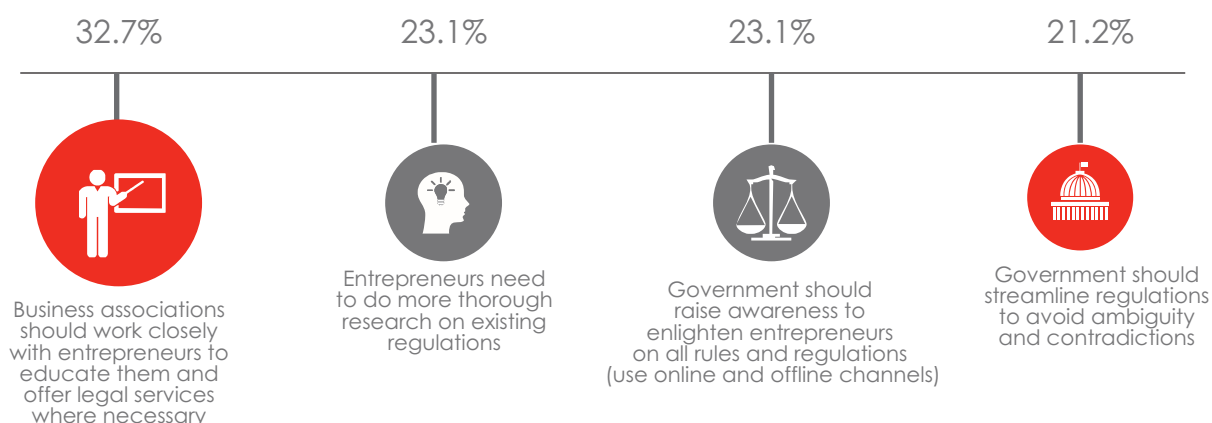


SURVEY RESULTS

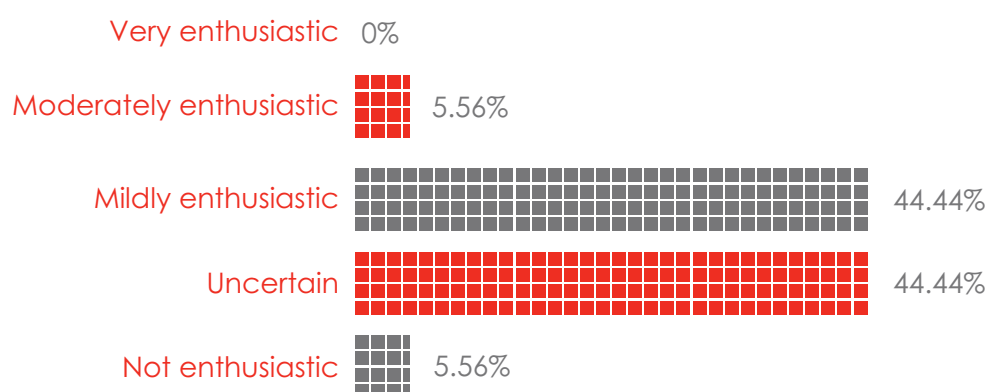
Q9: What do you think can be done to solve the problem of steep taxes and multiple taxation facing local entrepreneurs in your country?



Q10: Many entrepreneurs have noted the difficulty involved in complying with government regulation. What do you think can be done to lessen this burden?



Q11: Please rate local and international investors' willingness to invest in start-ups in your country

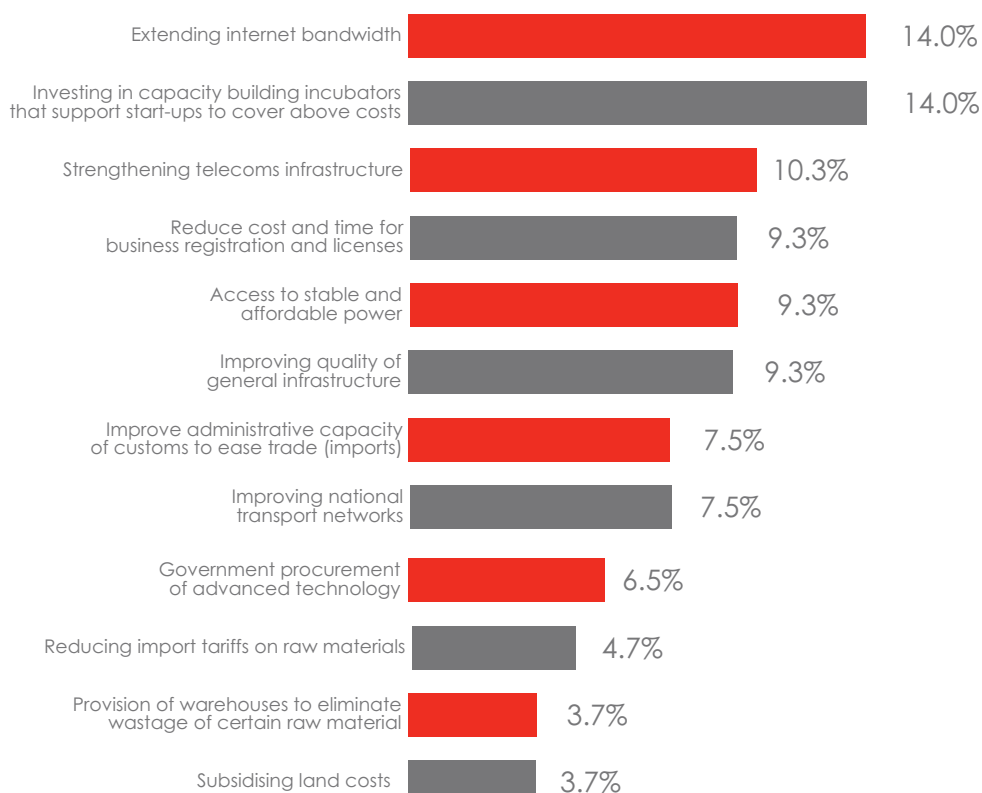


SURVEY RESULTS

Q12: Why do you think more local and international investors are not willing to invest in start-ups in your country?



Q13: What are the areas that you would like to see the government and policy makers put more effort in so as to improve the success of business incubators, start-ups, and early stage businesses?



Summary Matrix

	Q	A
	Starting up a business in my country has been	58% of our African entrepreneurs said it has been "not at all easy" to start their businesses
	The hardest part of starting up/ running a business in my country has been	Obtaining financial capital scored the highest by far out of the available 12 options
	How was your start-up capital raised	69% of African entrepreneurs stated that the initial funding to their businesses was from personal savings
	Obtaining the financial capital needed to get my business started/grow my business has been difficult because	A lack of personal collateral/assets was the main reason why the majority of African entrepreneurs hadn't yet accessed financial capital.
	The amount I expect to pay in government-imposed taxes and fees related to my business will be	32% of our African entrepreneurs said that the fees they are expected to pay are "moderately burdensome"
	Please rank the costs of your core inputs	Land (inclusive of cost of building, building maintenance, and rent) was identified as the most expensive core input
	I have/will be able to find employees with the skills I need to help grow and run my business	54% of entrepreneurs were optimistic that they will find the right talent to grow their businesses
	I haven't/will not be able to find employees with the skills I need to help grow and run my business because	62.9% admitted that although competent prospective employees exist, they can't afford to employ them currently
	If a contractual dispute arises with a vendor or a customer/client, I don't believe the legal system is adequate to resolve the issue fairly and quickly because	Our entrepreneurs agreed that the biggest impediment here was the lengthy period of time involved in resolving legal issues
	Understanding and complying with government regulations and other operating requirements will be	33% of our African entrepreneurs shared that it was "slightly burdensome" complying with government regulations

Unleashing Africa's Entrepreneurs: Improving the Enabling Environment for Start-ups

SURVEY RESULTS



The availability of government-provided incentives (e.g. tax holidays, subsidized land, low-interest loans) are

65% of surveyed entrepreneurs agree that it is very important that government makes available relevant incentives for business



What is the most important incentive that government can provide to you

78.84% of the entrepreneurs need more tax relief (tax breaks, tax holidays, etc.)



Access to material inputs my business requires to succeed, such as machinery, technology, equipment and raw material is

53% said that it has "not at all" been easy to access their inputs of production



The cost of core inputs I need to start and run my business (e.g. electricity, internet and telecommunications, office/growing/manufacturing space) is

60% revealed that the cost of core inputs needed to run their business has been "very burdensome"



The amount I expect to pay in government-imposed taxes and fees related to my business will be high mainly because

Most of our entrepreneurs complained about the high tax rate for start-ups in their countries.



Government will reduce the cost of inputs greatly for me by

Our entrepreneurs agreed that improving the power sector is by far the most effective way for government to reduce cost of inputs for entrepreneurs.



Access to skills training and professional development opportunities to increase my ability to be successful is

82% of surveyed entrepreneurs indicated that access to skills training and development opportunities is "very important"



Access to skills training and professional development opportunities is

90% of our entrepreneurs wanted easier access to training that focused on business management



Gaining access to a business start-up accelerator or resource center has been

54% of our entrepreneurs said that getting access to an incubator or accelerator has proven" to be extremely valuable.



Access to a business start-up accelerator or resource center has been important as they

80% of our entrepreneurs acknowledged that incubators, associations, and incubators offer fantastic opportunities for networking



Interacting with peers to share information and best practices has been

69% of African entrepreneurs said that interacting with peers has been "very important"



Interacting with peers has been helpful because

93% correspondents valued the encouragement and motivation received from other entrepreneurs.

Focus Group Discussions



David Rice and Somachi Chris-Asoluka of The Tony Elumelu Foundation's Africapitalism Institute hosting focus group discussions with select Tony Elumelu Entrepreneurs

The Tony Elumelu Entrepreneurship Programme emphasises the need for entrepreneurs to be proactive and develop homegrown solutions to address the key challenges they face, particularly those issues that emerged from the two surveys conducted. During the Tony Elumelu Entrepreneurship Programme's Bootcamp, two focus groups with a representative sample of 100 out of the 1,000 entrepreneurs participating in the event were held. Participants, who were between the ages of 18-52, were from more than 20 African countries and with businesses in all the key sectors represented in the inaugural class of Tony Elumelu Entrepreneurs, including agriculture, fashion, information communication technology, consumer goods, education and training, and media and entertainment. It was important for the Africapitalism Institute to host the entrepreneurs in this setting in order to obtain valuable insight from small business owners across the continent – all of whom are directly impacted by existing business policies and regulations in their respective countries.

During these sessions, the pan-African group discussed the conditions they are contending with, freely sharing their concerns regarding the business enabling environment and the obstacles they face in the process of growing their businesses. Discussion topics ranged from “access to finance” to “export restrictions” to “employee management”. Participants also shared personal stories of their experiences and the ways in which they resolved some of the most complex challenges that threatened their start-ups. They spoke candidly about the specific areas in which government support was needed, especially in the areas of policy, infrastructure, and high start-up costs.

All in attendance agreed that a crucial part of the enabling environment is infrastructure that is accessible, reliable, and affordable. Another issue upon which there was broad consensus is that governments – local, state, and national – need to provide meaningful incentives to entrepreneurs to support both the starting up and scaling of their businesses. Policy recommendations were suggested regarding a variety of issues including cyber restrictions, export impediments, labor and employment challenges, weak institutions, political instability, multiple taxation, infrastructure and trade barriers, and conflicting government policies, amongst others.

Armed with this data and the personal experiences of emerging entrepreneurs, the Tony Elumelu Foundation's Africapitalism Institute will conduct a series of “Africapitalism Labs” in select clusters of entrepreneurial activity, engaging key stakeholders in government, business, finance, civil society, and development along with the entrepreneurs themselves, with the intent of developing practical solutions built on consensus and with a shared commitment to act.



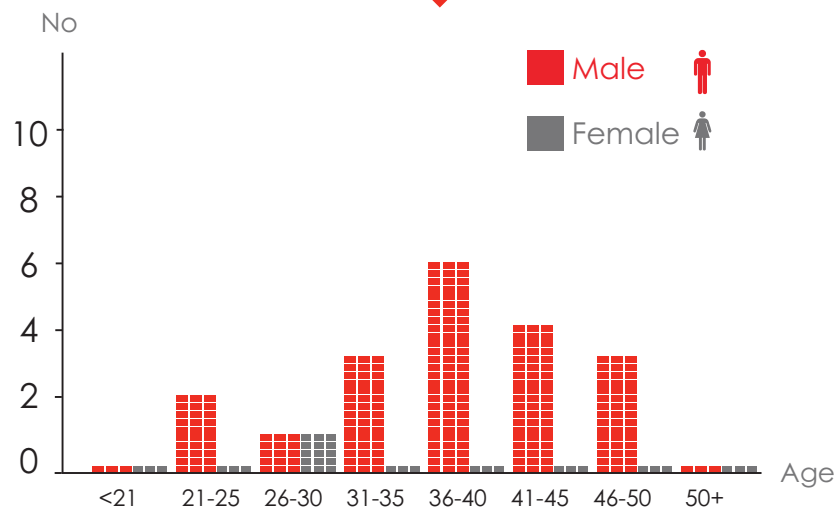
In conclusion, the majority of entrepreneurs chose to be proactive and discussed what they, as entrepreneurs, could do to make the business terrain more conducive for their enterprises to thrive. In addition to identifying practical solutions to the range of issues facing African entrepreneurs, the entrepreneurs also finalised on a list of recommendations to guide policy makers across the continent as striving to make doing business easier for small enterprises in their respective countries.

Additional comments from entrepreneurs below:

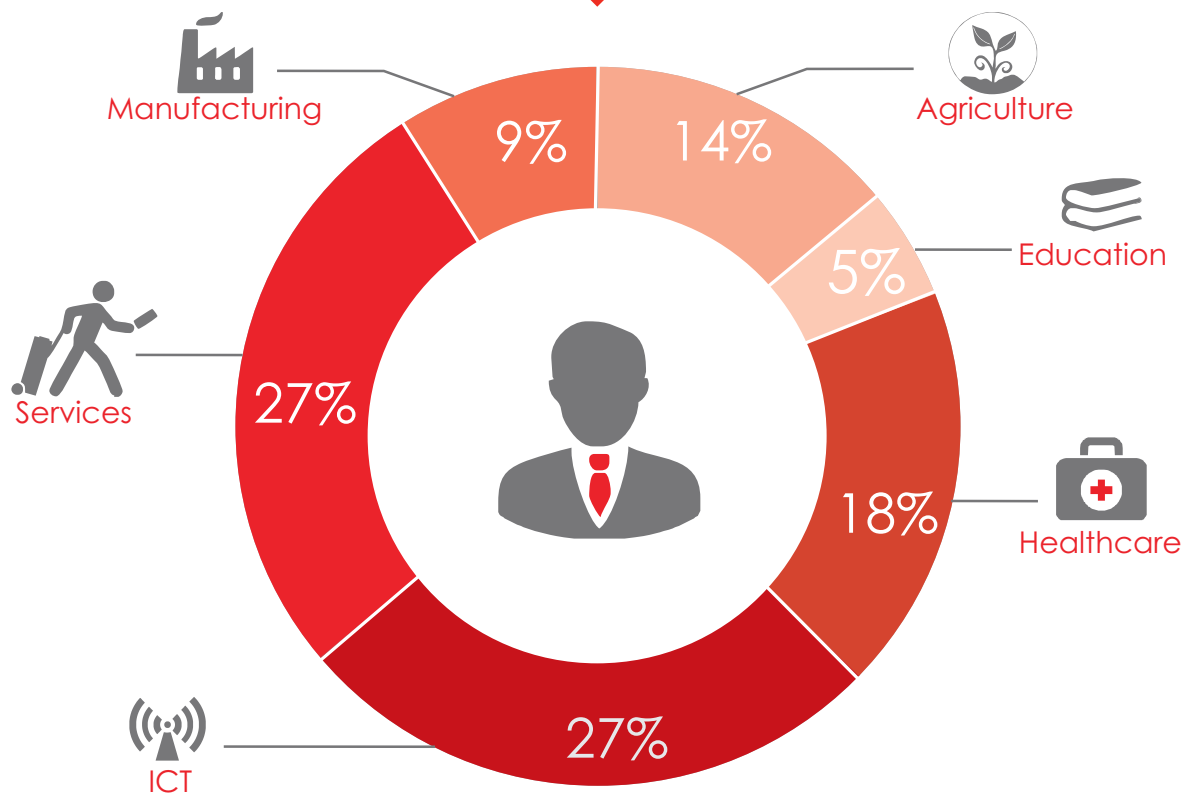
- 1) **Growth and sustainability:** "Training future entrepreneurs will benefit the continent in the long run as it will ensure that the economic growth many African countries are experiencing is sustainable and long term."
- 2) **Problem solving:** "Entrepreneurs are in the business of solving problems and therefore obstacles are no excuse. It is important that we use this focus group to identify specific ways in which entrepreneurs can contribute to Africa's development."
- 3) **Regional integration:** "This focus group and other similar events are important as they foster cross country partnership and networking amongst African entrepreneurs and potential business collaborations."
- 4) **Team building:** "It is motivating to be in the presence of many like-minded individuals. It is comforting to know that there are fellow entrepreneurs facing similar challenges but eager to work through them."
- 5) **Government support:** "This session is a great initiative that would sensitise the government to the plight of entrepreneurs and acquaint them with proffered solutions. I especially look forward to the round-table discussions to be hosted by the Institute in the various regions that will bring together stakeholders from the public and private sectors to discuss how to improve the business enabling environment for African entrepreneurs."
- 6) **The entrepreneurial spirit:** "This discussion was a valuable initiative that reeducated all of us in the room on the roles we as entrepreneurs must play in improving the competitiveness of Africa's private sector."

Recommendations

Gender and Age Distribution of Entrepreneurs

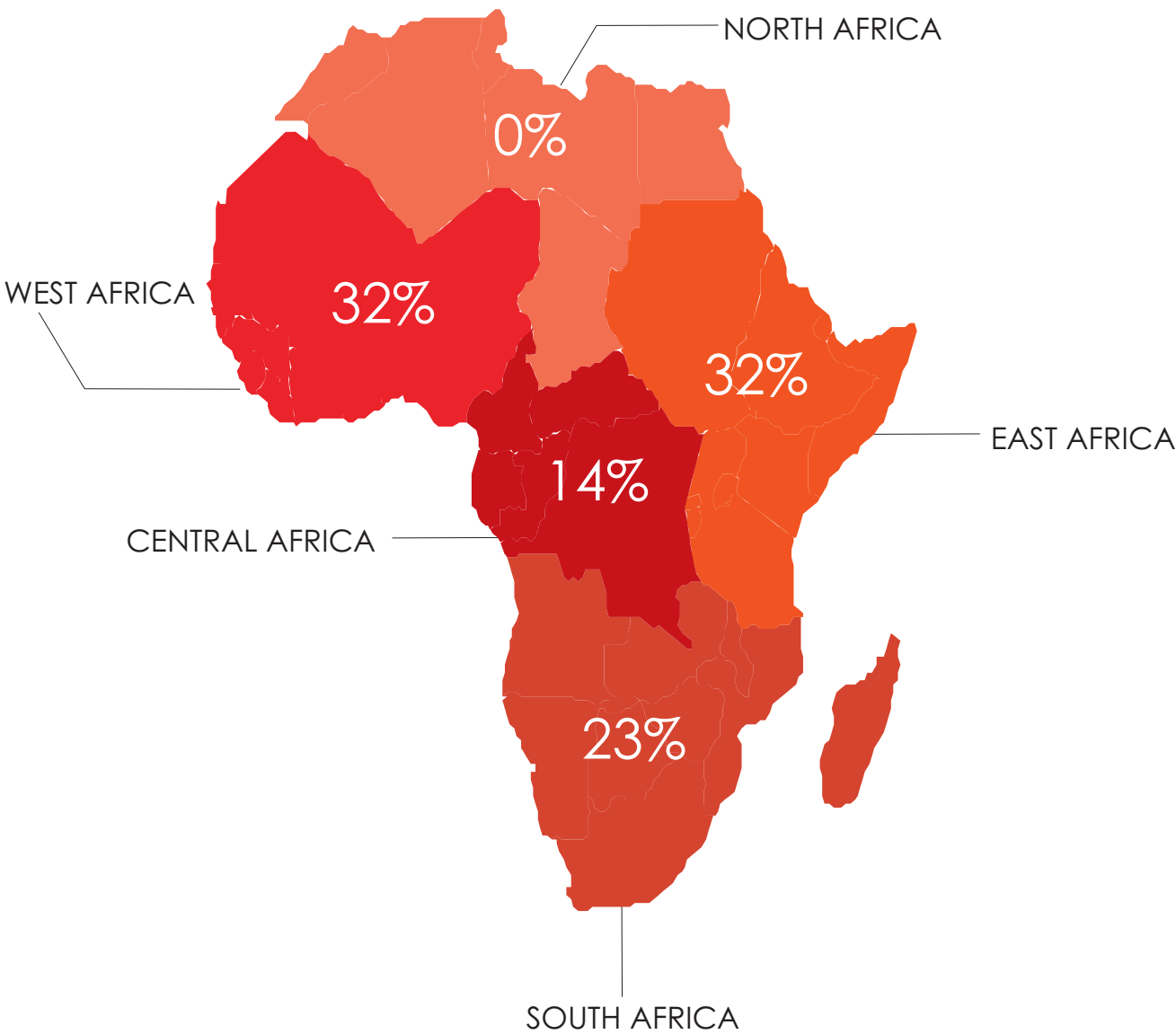


Sectoral Distribution of Entrepreneurs



SOLUTIONS

FOCUS GROUP: REGIONAL DISTRIBUTION OF ENTREPRENEURS IN AFRICA



RECOMMENDATIONS

Recommendations

Following our focus group discussion with African entrepreneurs from across the continent, the entrepreneurs came up with these recommendations for the governments in their respective countries.

ISSUES

SOLUTIONS

1 CYBER RESTRICTIONS

Blacklisted countries: A lot of African entrepreneurs are denied the opportunity to engage in some online business transactions. Some European based companies' websites have been configured to reject and prevent Africans resident in African countries to engage in online transactions.

Bitcoins: Africans are perceived to be fraudulent and thus foreign countries have refused to accept the digital currency when doing business with Africans.

There is need to know why some foreign based companies blacklist most African countries and address the reasons appropriately. These reasons may be country-specific.

Entrepreneurs need to find a way to work around this restriction legitimately and without "cutting corners", in order to build trust among companies located abroad.

Governments in African countries need to put in place necessary infrastructure that curb and minimise cybercrimes and all other forms of internet fraud. There is a need for technology monitoring by the government.

Partnerships involving reputable African companies and multinationals should be encouraged by friendly business policies. Such partnerships will build trust between the private sectors in respective countries and eliminate the need for cyber restrictions and other online prohibitions.

2 EXPORT RESTRICTIONS

Exports from certain African countries are restricted and not allowed to enter as imports for a range of reasons varying from quality control to politically induced injunctions.

A significant number of African entrepreneurs are usually denied visas required to travel to other countries to conduct market research/do business.

Entrepreneurs need to raise the standards involved in production of goods meant for exports so that they measure up to international requirements.

There is a need for entrepreneurs to network and build relationships which ultimately would lead to partnerships. These partnerships with foreign clients build trust and help lessen the impact of export restrictions.

ISSUES

3 LABOUR



There is a major concern amongst African entrepreneurs about the employability of most graduates.

Entrepreneurs are concerned about the fact that most employees after being adequately trained either resign from the firm to other companies or resign to form a direct competition.

For example in South Africa, the government gives incentives for companies to hire the local indigenes. These incentives can be in form of tax savings. However, most of these firms complain that those graduates are not employable, and after adequate trainings, they end up leaving the firm.

SOLUTIONS

There is a need to realign the formal education with practical tools required for success in business.

There is also a need for corporate training internship programmes for specific skills needed in the labour market.

Entrepreneurs suggested that education institutions formally develop and incorporate entrepreneurship instruction and training into their curricula, which will also help to raise awareness among students about entrepreneurship as an option available to them and change the culture to encourage risk-taking.

It was also suggested that academia partner with businesses in order to adjust their courses so they provide training that is more aligned with the workforce needs of the private sector.

Regarding the high cost of skilled labour, entrepreneurs encouraged a regime of strict employment contracts to limit poaching by competitors as well as business-led ownership sharing schemes to incentive longer employee tenure.

Entrepreneurs should offer training programmes to university students as a means of creating value for the society. Training must be viewed from a long term perspective. Entrepreneurs who focus on the long term end up gaining employees' loyalties and trust.

To mitigate the effect of trained employees leaving to become direct competitors, the entrepreneur can also give the employee the option of becoming a stakeholder in the business.

ISSUES

4 CULTURAL FACTOR

Entrepreneurs shared that in their local African cultures, young ambitious entrepreneurs were discouraged from being risk takers.

The general culture that discourages risk taking ultimately ends up in stifled creativity and innovation.

SOLUTIONS

A culture of excellence and strategic risk taking should be encouraged and celebrated in order to spur innovation and scientific advancement.

5 WEAK INSTITUTIONS/LEGAL DISPUTES

The entrepreneurs highlighted that there were inadequate/non-existent data systems to guide policy makers in crafting business policies.

Several entrepreneurs, especially those in the ICT space, indicated the need for stronger intellectual property protection.

Obtaining patents and trademarks are extensive and tedious. This discourages inventions and innovation in Africa.

One suggestion was for a private sector-led consortium to serve as a validated repository of innovative products and processes in the absence of well-functioning public data gathering systems.

The establishment of legally binding alternative dispute resolution mechanisms was also suggested as a way to avoid the complex and inefficient traditional judicial system.

6 POLITICAL ENVIRONMENT



Entrepreneurs from various countries emphasised the threats that political instability and conflicts in their countries posed to their young businesses.

Many also complained of prevalent crimes, terrorism, and social ills that make it difficult to do business.

As more African countries embrace tenets of democracy and as democracy is institutionalised, this will lead to less political instability and violent conflicts.

Government needs to educate, empower, and provide opportunities for the youth. This would reduce crimes, terrorism and social ills in Africa.

ISSUES

SOLUTIONS

7 LACK OF STANDARDIZATION OF POLICIES



Government policies change as new officials are elected into power.

There is also a lack of synergy between the sub-national and federal governments.

There is need to have standardised government policies irrespective of the change in government administration. Continuity must be institutionalised so that there is less uncertainty and less of a negative impact on the business climate and foreign investment.

Entrepreneurs need to form unions to lobby the government on policies that most affect their small businesses.

8 HIGH TAXES AND MULTIPLE TAXATION



All focus group attendees cited high taxes as one of the leading costs of running their business.

Many entrepreneurs complained about the pervasiveness of multiple taxation – formal and informal.

In addition there is a lack of clear tax systems in many African countries

There is need for the government to streamline taxes and levies specific to each sector of the economy and make this information easily accessible to entrepreneurs.

Tax holidays and tax breaks should be granted to budding entrepreneurs.

9 INADEQUATE INFORMATION



Entrepreneurs bemoaned the lack of access to information about government regulation, tax information, etc.

There is need to utilise technology to disseminate important information to entrepreneurs, e.g., developing applications that provide relevant policies and regulations to entrepreneurs.

10 EXPLOITATION BY OTHER ACTORS IN THE INDUSTRY



Exploitation by other actors in the industry
Lack of good pricing policy for some products. Some more established sellers exploit other players in their industry by offering products at lower prices.

Entrepreneurs recommended a policy that mandated the standardisation of prices, especially in the informal sector.

ISSUES

11

START-UP COSTS



In obtaining various licenses required to set up businesses, some government officials demand prices different from the legally required amount.

There is a high cost of incorporating new business

Corruption forms a part of costs incurred by many small African businesses, e.g., tendering for contracts, in obtaining some document, etc.

SOLUTIONS

Online registration and payment platforms should be created to minimise the incidence of corruption and illegal costs.

In order to address the inability of entrepreneurs to get start-up capital from banks due to collateral requirements, it was suggested that banks work more closely with entrepreneurs to help them prepare viable business proposals in accordance with their lending philosophy.

Government agencies should also be engaged to provide credit support to help de-risk bank lending, reducing the need for collateral as well as the cost of borrowing.

12

DELAY IN OBTAINING REVENUE FROM GOVERNMENT CONTRACTS



Many governments have policies that favour government contracts being awarded to qualified local SMEs. However, the small businesses awarded such contracts are required to pay the taxes on them well before they receive payment from the government, forcing entrepreneurs to borrow at high rates in order to pay the tax.

There is the problem of obtaining funds to execute government projects since revenues are only obtained long after execution of the project.

It should be a matter of policy that these taxes not be levied until payment is made to the contracted business.

Government can also co-sign long-term lease agreements on land and equipment to provide an additional safeguard to vendors who would otherwise require more financial capital upfront.

Government should promptly settle all outstanding payments to budding entrepreneurs.

ISSUES

13 EDUCATION



Some requirements for the registration of SMEs in Kenya are not business friendly. SMEs are usually required to meet up with requirements, such as having been in operation for at least two years and submission of account books."

SOLUTIONS

Big corporations need to advocate the promotion of SMEs by government.

Government should create a single location where aspiring entrepreneurs can find and file all necessary paperwork in order to legally register their business.

In addition to a physical "one-stop shop" for start-ups, entrepreneurs should be able to complete all aspects of their business registration online, which will reduce the cost, time to file, and help reduce the prevalence of corruption.

The online resource should also include key regulatory requirements for businesses by sector, making it easier for entrepreneurs to efficiently ensure compliance.

14 LACK OF TRUST IN AFRICAN PRODUCTS



Africans generally prefer imported products to the locally made ones.

There is also the problem of packaging and branding of locally made products.

A "made in Africa" movement should be established, similar to the "made in India" movement that encourages Indians to patronize local producers in order to grow the economy from within.

15 INFRASTRUCTURE & TRADE BARRIERS



It is difficult to transport goods and services to neighbouring African countries due to poor transportation network (roads, rail, and shipping) within the continent.

There is weak enforcement of free trade agreements among countries, even within the same region in Africa.

Massive investment in infrastructural development on a continental level. African leaders need to be focused on cooperation in providing international road and rail networks across countries in order to open up the continent.

Promoting regional trade among countries in Africa by harmonizing trade policies, implementing trade agreements, and reducing the harassment by customs officials pervasive at the borders of many countries.

ISSUES

16 UNINFORMED GOVERNMENT POLICIES

Government needs to make policies that are relevant to current challenges.

Policies must be fact-based, well informed, properly targeted, and well enforced.

SOLUTIONS

African political leaders and policy makers must become well acquainted with the problems facing entrepreneurs, and ensure that adequately steps are taken to address their challenges.

There is a need for national discussions that include all business stakeholders and shareholders alike. These discussions will provide relevant insight for policymakers to guide the policies they make.

17 PATRONAGE GIVEN TO ESTABLISHED ORGANISATIONS

More large African firms need to patronize local SMEs, but many firms avoid this due to a lack of qualified vendors or their high cost relative to foreign products or services.

Governments should incentivise large firms to develop local supplier standards and training programmes as a way to develop a pipeline of entrepreneurial talent.



Tony O. Elumelu, CON, is an economist by training, a serial entrepreneur and philanthropist. He is the Founder and Chairman of Heirs Holdings, a privately held investment firm, with interests in the power, oil and gas, financial services and hospitality sectors across Africa. He is Chairman of Transcorp, Nigeria's largest listed conglomerate; pan-African financial services group United Bank for Africa; and Seadrill Nigeria Limited.

In 2010, Mr Elumelu created the Tony Elumelu Foundation, which champions African entrepreneurship. In January 2015 the Foundation launched the \$100 million Tony Elumelu Entrepreneurship Programme to seed and support 10,000 African entrepreneurs over the next decade. The Programme represents Mr Elumelu's personal commitment to the economic philosophy of "Africapitalism", a development model he propagated, that sees the African private sector as the catalyst in ensuring Africa's sustainable social and economic development.

Mr Elumelu sits on numerous public and social sector boards, including the global advisory board of the United Nations Sustainable Energy for All Initiative (SE4ALL), USAID's Private Capital Group for Africa Partners Forum (PCGA), and the Aspen Institute's Global Food Security Working Group. He also serves on the international advisory board of the Washington DC based think tank the Wilson Center, and as Vice Chair of the National Competitiveness Council of Nigeria. In addition, Mr Elumelu serves as an adviser to President Obama's Young African Leaders Initiative (YALI).



Parminder Vir, OBE is the Chief Executive Officer of the Tony Elumelu Foundation (TEF). As CEO, she manages the overall day-to-day operations and strategic development of TEF, as well as the implementation of its key initiatives. Under Ms Vir's leadership, the Foundation continues to empower African entrepreneurs, and ensure that entrepreneurship is the primary driver of Africa's economic growth and social transformation.

Previously she was CEO of PVL Media, a specialist consultancy, facilitating cross border business development with emerging markets – and of her independent production company, Formation Films. She is recognised as a global media investment expert, and her expertise stems from years of experience as a film and TV producer with BBC Television, ITV, Carlton Television, and Chanel Four and also includes a senior advisory role for a £22 million capital film fund.

She has served on numerous private and public boards including UKTI Asia Task Force, Department for Culture Media and Sports (DCMS), UK Film Council, and UK India Business Council. In 2002, she was awarded an Order of the British Empire (OBE) for services to the Broadcasting and Film industry and an honorary Master University for Creative Arts in 2010.



Abimbola Adebakin is the Chief Operating Officer of the Tony Elumelu Foundation, where she ensures the operational excellence of the Foundation's projects. She is a Certified Performance Technologist (CPT) of the International Society for Performance Improvement (ISPI), USA; an accredited Master Trainer for the Global Forum/IFC Board Training programme for Board Directors; and a member of the Chartered Institute of Personnel Management (CIPM) of Nigeria.

Prior to joining the Tony Elumelu Foundation, Ms Adebakin grew her consulting expertise leading the consulting arm of the Financial Institutions Training Centre (FITC). She was previously at Accenture.

BIOGRAPHIES

Ms Adebakin brings to the role experience in programme and project management, culture and change management, operations management, business development, and capacity building. Ms Adebakin has a degree in Pharmacy, an MBA from the University of Lagos, and is currently pursuing her Executive Doctorate in Business Administration (DBA) from Cranfield University, UK.



David Rice is the Director of the Tony Elumelu Foundation's Africapitalism Institute – the economic and policy research and advocacy arm of the Tony Elumelu Foundation. Prior to joining the Foundation, he was the Africa Advisor to the Milken Institute; a faculty member of New York University (NYU), where he taught African economics and international development; Director of the NYU Development Dividend Project; and a contributing writer on African business for *FORTUNE* and *Ventures Africa*

Previously, Mr Rice worked for global development economist Professor William Easterly, serving as the Executive Director of NYU's Development Research Institute; and in senior roles with the World Economic Forum in Switzerland, Global Insight in London, and in various positions with the US government.

He is an alumnus of Harvard University, where he obtained a Master's degree in International Development and Economics.



Somachi Chris-Asoluka, is the research analyst for the Tony Elumelu Foundation's Africapitalism Institute. In this role, she conducts the data gathering and methodology review for all research outputs of the Institute and oversees the Institute's communications aspects – social media channels, newsletter, website, and blog.

Ms Chris-Asoluka graduated Summa Cum Laude from Saint Mary's College of California and won the "Adam Smith" award given to the best performing student in economics. She also has a master's degree in International and Development Economics from Yale University.

Prior to joining the Foundation, she worked with the Corporate Governance and Finance division of Phillips Consulting Limited. She served as a research assistant at the Lagos Business School in 2013 and has interned as a columnist with *BusinessDay* newspaper.

She is a member of the Financial Women's Association, San Francisco; the Omicron Delta Epsilon (National Economics Honor Society, US); and a fellow of the Moremi Initiative for Women's Leadership in Africa – a programme that annually identifies and engages the top 25 most promising young women leaders on the continent.

ACKNOWLEDGMENTS

We wish to thank our partners at BudgIT for their tireless efforts to ensure the content of this report is delivered in an accessible and engaging manner. Additionally, we thank our colleagues at the Tony Elumelu Foundation whose support in the gathering of data and engagement of entrepreneurs has been invaluable.

Likewise, the ongoing support we receive from peers at Heirs Holdings, although less visible and behind-the-scenes, makes the work we do possible. Particularly worthy of our thanks are the colleagues who provided their feedback on early results, and offered their ideas on potential solutions to the challenges identified.

In addition to having the support of staff at the Foundation and Heirs Holdings, we were very fortunate to engage professionals at United Capital, United Bank for Africa, and the Bank of Industry, all of whom made important contributions to this project. We also thank all of the business incubators and start-up accelerators across Africa that took the time to fill out our survey on their operations.

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