

Micro Enterprise in Africa

"If you can DREAM it, you can DO it." - Walt Disney



EXPERIENCE IN KENYA

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Micro Enterprise in Kenya



- ❖ What do they do?
- ❖ Who works in them?
- ❖ Where are they located?
- ❖ How do they start?
- ❖ How can we help it succeed?



In order to assist, we must first “learn”

“One of the best ways to persuade **others** is with your ears - by **listening** to them” – Dean Rusk

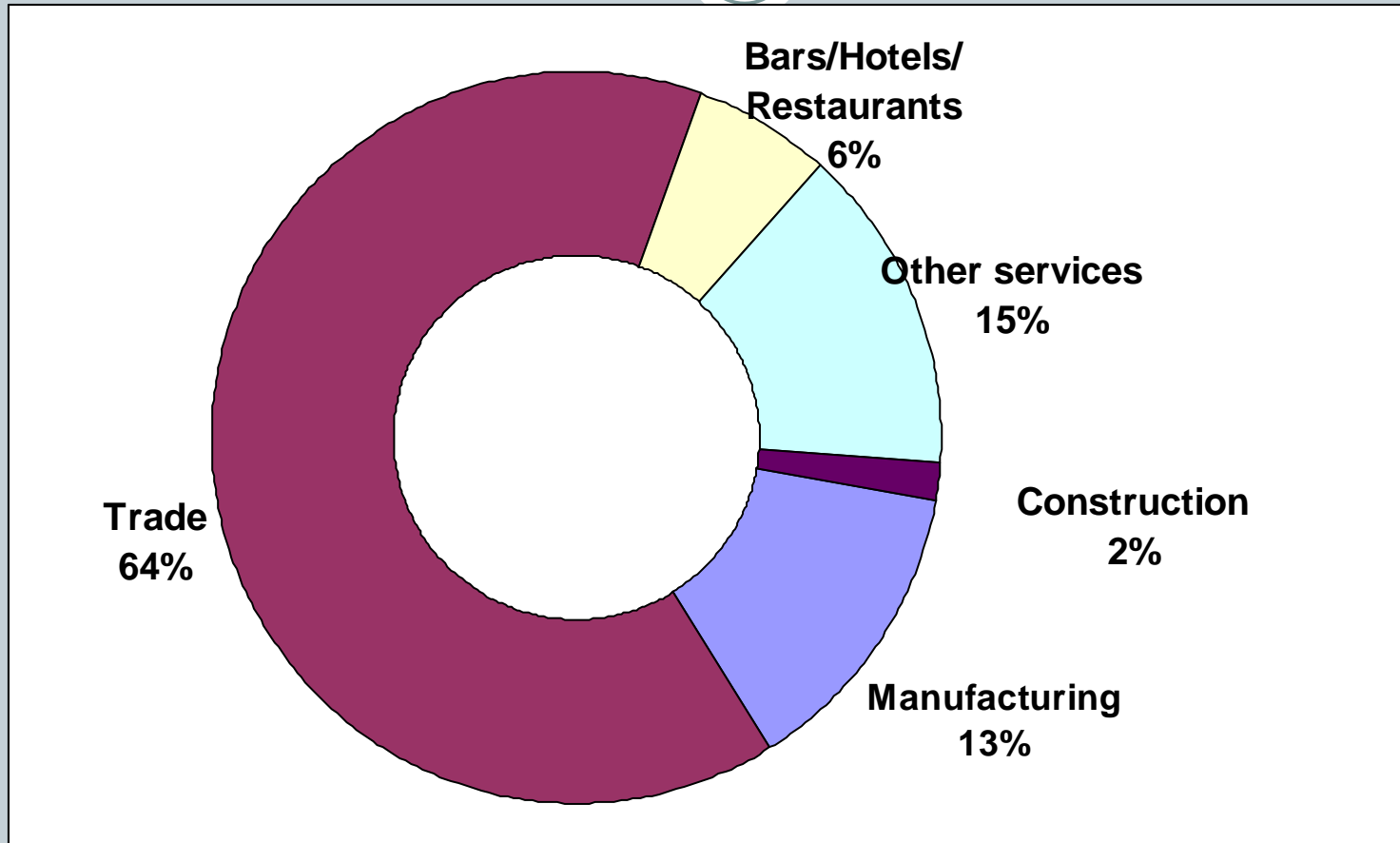


- ❖ What do the people want?
- ❖ What are their dreams?
- ❖ How do we equip them?
- ❖ How to spark transformation?



Micro Enterprise in Kenya

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Micro Enterprise Owners in Kenya

"Destiny is not a matter of chance, it is a matter of choice. It is not a thing to be waited for, it is a thing to be achieved." - Jeremy Kitson

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- **Gender:**
 - 52% male and 48% female
 - Women predominate in trade and particular service and manufacturing activities
- **Age: mean age of 35 years**
- **Education:**
 - 90% have at least primary
 - 35% have secondary or better

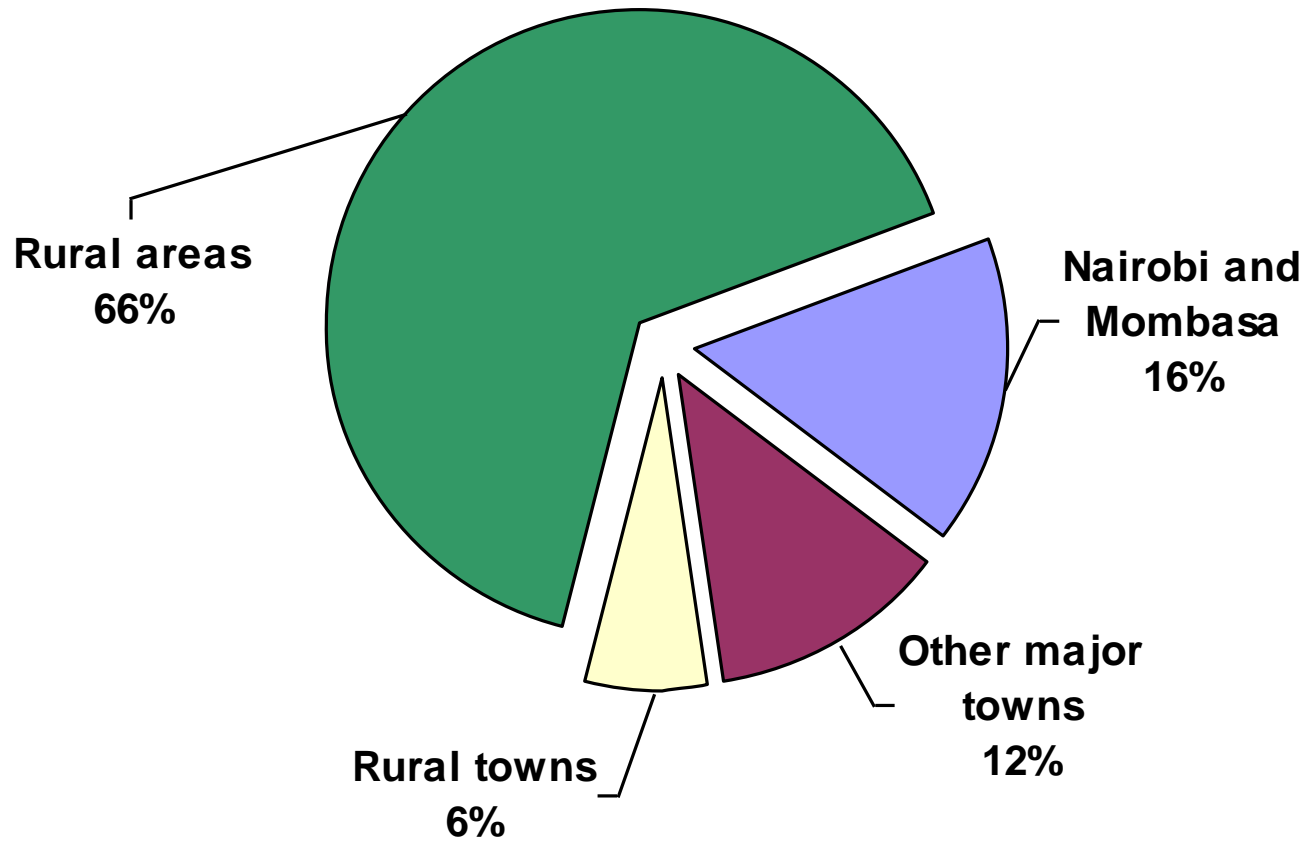
Micro Enterprise in Kenya

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- 70% of businesses do not employ outside labor – the owner is the sole owner and employee
- Many are casual workers, trainees, and, especially in rural areas, family members
- Terms and conditions of work vary greatly
- Lack of innovation

Micro Enterprise by Location

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The Significant Impact of Micro Enterprise in Africa

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❖ Micro Enterprise Contribution to African Economy

- Contribution to GDP of countries throughout Africa ranges from about 15% to as high as 70%
- Diversification of goods and services

❖ To households and individuals

- Significant proportion of households earn some or all of their income from micro enterprise and small business
- Higher earnings, more selection, lower prices
- Opportunity to learn and grow
- Achievement of Dream – quality of life and living

Generally – Micro Enterprise = Start-ups

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- ❖ **What attracts people into micro enterprise?**
 - Hope for better income, preference for self-employment, skills, family background in business
 - Lack of alternatives

- ❖ **What resources do social entrepreneurs have?**
 - Own savings
 - An idea of what they want to do
 - Human Capital

- ❖ **What resources do social entrepreneurs lack?**
 - Education and Business Experience
 - Sufficient resources and capital

The Life of a Micro Enterprise

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- ❖ Mean age of a Kenyan micro business is 6.9 years
- ❖ Few businesses outlive the founder
- ❖ Most lack sufficient capital
- ❖ Little or no access to credit for expansion
- ❖ Most suffer from poor infrastructure, insecurity, extremely competitive markets, and an unfavourable institutional environment
- ❖ There is little information on “new” micro-enterprises such as technology firms, business process outsourcing, etc.
- ❖ Lack of innovation and lack of access to key tools for success in business

The Death of a Micro Enterprise

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- ❖ In Kenya, urban micro enterprise businesses are more likely to close than rural business

- ❖ Age of average micro enterprise at closure
 - 3 years for urban businesses
 - 5 years for rural businesses

- ❖ Main reasons given for closure:
 - Lack of operating funds
 - Personal reasons
 - Lack of resources or knowledge to expand or innovate

Challenges to Micro Enterprise Development

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- ❖ Markets and competition
- ❖ Resources
- ❖ Technology
- ❖ Infrastructure
- ❖ Institutional environment
- ❖ People who care

How can we help foster Micro Enterprise

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- ❖ Activate private business and finance
- ❖ Government
- ❖ Non-governmental organisations
- ❖ Faith-Based Organizations
- ❖ Short Term Business Missions Trips
- ❖ Activate Retirees with business and life experience to help educate and aid others as business coaches and mentors

We can all make a difference in the continent of Africa – if we only get involved



“To be a revolutionary you have to be a human being. You have to care about people who have no power.” - Jane Fonda