Deepening support to locally owned enterprises

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A working paper on the state of capital flows to early stage businesses in Kenya

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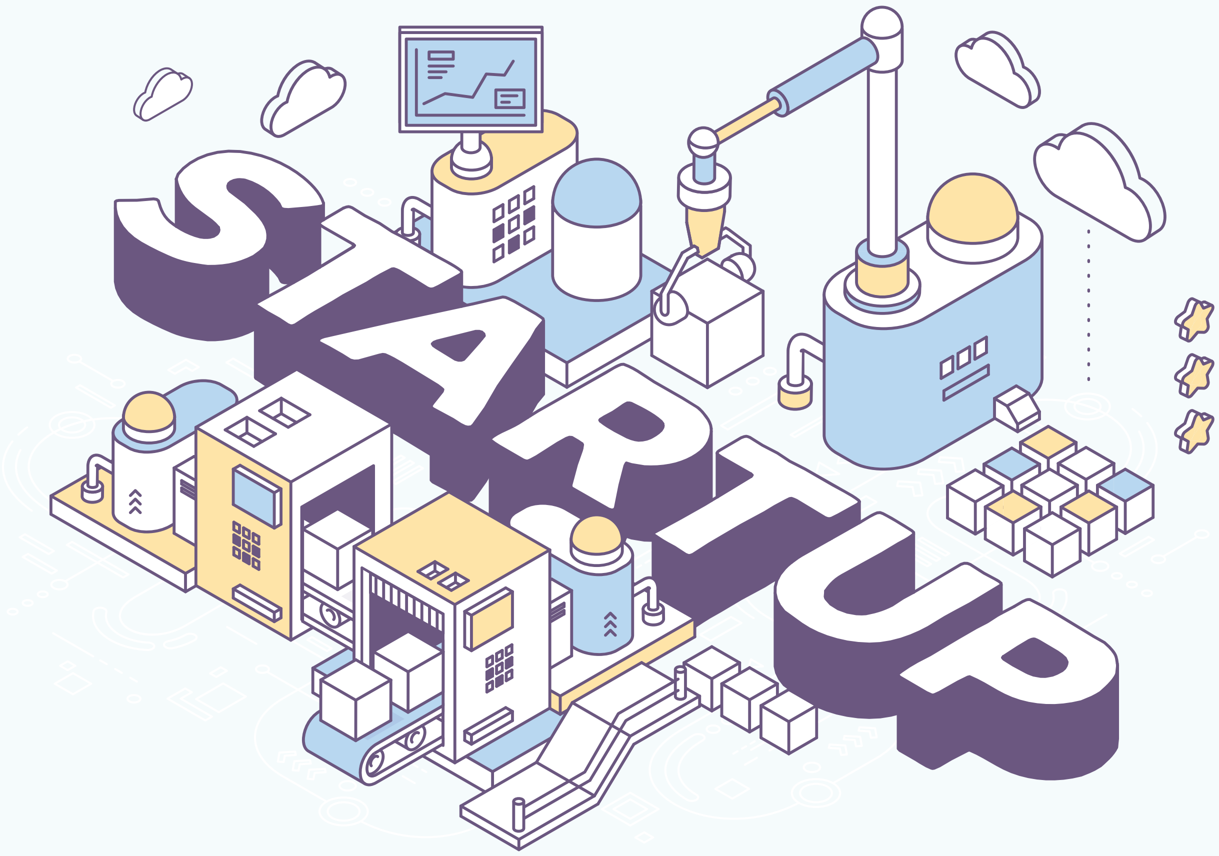
Summary

The general perception is that capital flow to startups in Kenya is disproportionately absorbed by foreign owned businesses. In this review, we find that while the evidence confirms this perception, the choice of characterisation qualifying the imbalance – locally versus foreign owned enterprises, is superficial. Underneath this dichotomy we find that experience, exposure and strength of networks among founders, which appear to form the basis of high-growth scalable businesses, are the key predictors of successful capital raising regardless of the citizenship of the founders. This is supported by a profiling exercise assessing the common characteristics among 36 founders of successful locally owned startups in terms of capital raising across Kenya, Nigeria, South Africa and Egypt. The fundamental question from this review remains; how do we enhance experience, exposure and strength of networks among entrepreneurs within our ecosystem?

Underneath this dichotomy we find that experience, exposure and strength of networks among founders, which appear to form the basis of high-growth scalable businesses, are the key predictors of successful capital raising regardless of the citizenship of the founders



Introduction

The challenge of improving investment capital flows into early-stage locally owned businesses in East Africa is widely recognised. While there is consensus that this challenge exists, there are divergent opinions on why this is the case and even greater separation on what can or needs to be done to improve outcomes. This paper outlines the imbalance in capital flows between these two classes of businesses and broadly discusses some of the underlying factors. There is no universally acceptable definition of the phrase "locally owned businesses". In some contexts, the phrase is used to describe businesses: i - headquartered in the country of incorporation regardless of the founders' origin; ii - whose majority shareholder or shareholders are nationals of the country of incorporation; iii - that have the founder, or at least one of the founders being a national of the country of incorporation; and iv - whose main operations are within the country of incorporation. In this paper, the phrase is used to define businesses whose largest shareholder or shareholders are nationals of the country within which the business is headquartered. The phrase is not to be confused with "local business", which implies that operations or market outreach only cover the country of incorporation. Although the terms "entrepreneurs" and "business owners" overlap in some cases, the first refers to individuals who identify, build and operate for-profit ventures while the second refers to owners of for-profit ventures, some of whom do not necessarily build and operate the ventures. "Start-ups" are new and for-profit ventures whose business models are untested or unproven, therefore all start-ups are new businesses but not all new businesses are start-ups. "Early-stage businesses" in this discussion include both start-ups and conventional businesses. The data used in this paper is from secondary sources including analysis done by the World Bank Group, East Africa Venture Capital Association (EAVCA), and Disrupt Africa among other sources.

"Among the top 0.1% of startups based on growth in their first five years, we find that the founders started their companies, on average, when they were 45 years old."

Azoulay, P. et al (2018),
Research: The average age of a successful startup founder is 45, Harvard Business Review - Founders

This paper starts by mapping capital flow from venture capital funds and private equity funds into Kenya, South Africa and Nigeria for comparative purposes with the appreciation that only a small proportion of this is absorbed by early-stage businesses. A distinction is made between flows into locally owned and foreign owned businesses and the Global Entrepreneurship Index (GEI)[1] is used to explain the disparity across these countries. Focus then moves to discuss investments among African countries with the highest flows into tech-enabled start-ups. In order to understand the characteristics of the founders of locally owned businesses that have raised substantial amounts of capital ($3 million or more), the paper profiles them with the aim of establishing the common features, which perhaps are the determinants or at least the predictors, of success. "Success" here being the ability to raise substantial capital. Finally, this paper mentions various challenges facing locally owned businesses and efforts to address these challenges.

1 Zoltán J. Ács, László Szerb & Ainsley Lloyd (2018). Global Entrepreneurship Index 2018.

State of play

Recent interest in the potential for Africa to innovate and produce scalable businesses has led to an increase in Foreign Direct Investments (FDI) to the continent. Estimates indicate FDI inflows now surpass Official Development Assistance (ODA). As of 2012, 17 countries officially received more FDI than ODA compared to only 2 countries in 1990[2]. According to KPMG & EAVCA (2019), Private Equity and Venture Capital Funds are estimated to have raised USD 6.4 trillion globally for the period 2007 – 2018 of which approximately USD 33.1 billion was raised by Africa-focused funds[3] and 3.3 billion of these was earmarked for investment in East Africa. The average deal sizes increased seven-fold within the period 2007 – 2018. Prior to 2007, deal sizes were on average below USD 5 million which is lower than the current average of USD 37 million at the close of 2018[4],[5]. Within the East African region, Kenya had the largest share of deal volumes accounting for 73% of the 84 deals conducted in the region for the period 2017 – 2018. The large share is mostly attributed to the country's rapid urbanization, growing workforce, ongoing technologic evolution and sustained consumer spending. Sectors that attracted the highest funding included energy and natural resource (31%), financial services (27%) and healthcare (18%). Although only 18% of this capital went to early-stage businesses and start-ups in the financial year 2017 - 2018, this represents a more than doubling in the proportion of funds to these types of businesses, from a modest 7% in 2015 - 2016 (Figure 1). Unprecedented enthusiasm and support towards start-ups is evident across the continent - from the Silicon Savannah in Kenya, GI-KACE in Ghana, Silicon Mountain in Cameroon, Yabacon Valley in Nigeria to the Silicon Cape Initiative in South Africa.

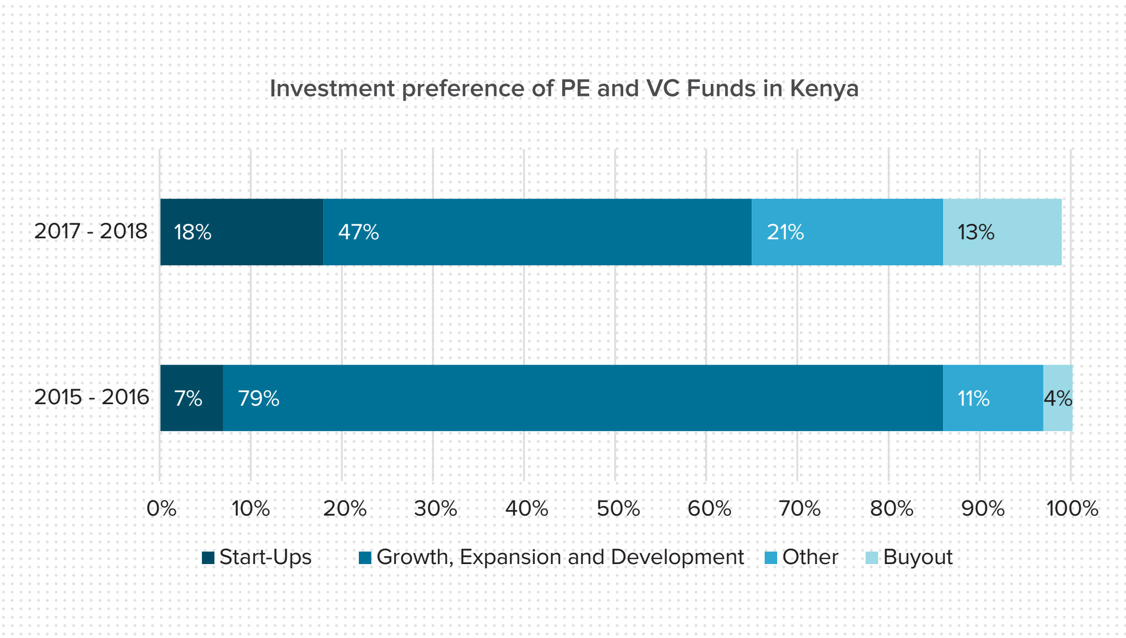


Figure 1: Investment preference of PE and VC Funds in Kenya Source (KPMG and EAVCA)

2 Gugu, S., & Mworia, W. (2017). Venture Capital in East Africa: Is there a Right Model? In Venture Capital in East Africa: Is there a Right Model? (pp. 429–458). https://doi.org/10.1057/978-1-137-57878-5

3 KPMG, & EAVCA. (2019). Private Equity Sector Survey of East Africa for the period 2017 to 2018. Downloaded from https://assets.kpmg/content/dam/kpmg/ke/pdf/deal/PE%20Survey%20Booklet%202019.pdf

4 ibid

5 Divakaran, S., McGinnis, P., & Schneider, S. (2018). Survey of the Kenyan Private Equity and Venture Capital Landscape (No. WP8598). https://doi.org/10.1596/1813-9450-8598

To understand the distribution of these capital flows between local and foreign owned early-stage enterprises, we listed venture capital (VC) and private equity (PE) firms funding enterprises in Kenya. We further narrowed down to VC and PE firms that invested in start-up firms. The VCs and PEs were further selected based on the availability of an online portfolio and geographical information of the start-up funded, with those without a portfolio, removed from the list. Through the portfolios, we listed all the start-up companies that received investments in Kenya, Nigeria, and South Africa. Startup categorization was based on the area of operation (Kenya, Nigeria, and South Africa), sector of operation and ownership (foreign/local-owned). We had a final list of 14 VC and PE firms in Kenya, 15 in Nigeria and 8 in South Africa and over 130 startups across the three countries. Parameters used to determine whether a business was local or foreign-owned was based on the citizenship of the founders, with entrepreneurs who are nationals of the country of interest classified as a local entrepreneur. Businesses that are co-owned by a citizen and a non-citizen were also categorized as a locally owned business. The methodology was limited in that it only included VC and PE firms that provided information on start-ups funded and excluded firms without online portfolios and therefore the data is only a representation of the VC and PE firms in the three countries. Here we find that, unlike South Africa and Nigeria, foreign owned early stage enterprises in Kenya received more investments relative to locally owned enterprises (Figure 2).

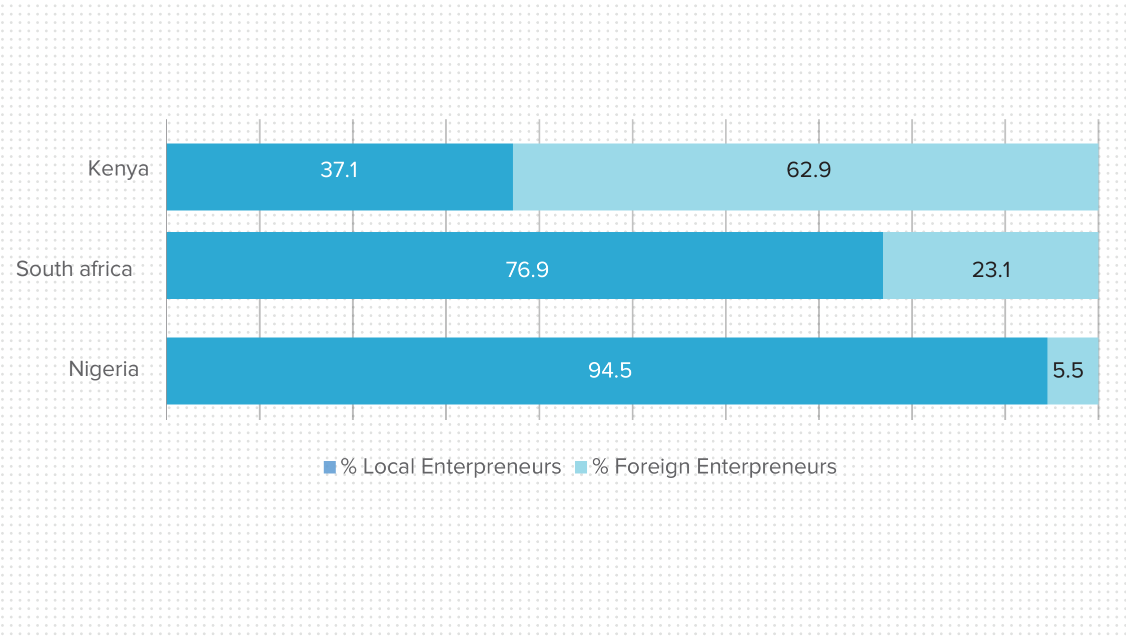


Figure 2: Percentage distribution of investment between locally owned and foreign owned businesses

This imbalance is confirmed and discussed expansively by various sources[6,7]. As shown in Table 1 below, Twiga, Cellulant and Africa's Talking are some of the locally owned businesses that have raised substantial investment.

Table 1: Leading startups in Kenya by capital raised

Start-up	Founded	Ownership	Fundraising ($M)	Sector
M-kopa	2011	Foreign	161.0	Energy access
Cellulant	2004	Local	54.5	Financial Services
Twiga Foods	2013	Local	35.4	Agtech, ecommerce
BitPesa	2013	Foreign	15.0	Financial Services
Bridge International	2007	Foreign	10.0	Edtech, Education
Maarifa Education Holdings	2014	Foreign	7.0	Education
mSurvey (now Ajua)	2012	Local	3.5	Research, customer experience
Lynk Jobs	2017	Foreign	1.3	Ecommerce
Eneza Education	2011	Local	1.0	Education, information technology

*These figures only outline disclosed figures prior to the year 2018.

Source(s): Crunchbase, Partech Partners 2018

Figure 3: Map of the early-stage investment ecosystem

6 Peacock C., and Mungai F., (2019) Impact investment favours expats over Africa entrepreneurs. Here's how to fix that. World Economic Forum https://www.weforum.org/agenda/2019/07/impact-investors-favour-expats-over-african-entrepreneurs-here-s-how-to-fix-that/

7 Alby, P., Auriol, E., & Nguimkeu, P. (2013). Social Barriers to Entrepreneurship in Africa: The Forced Mutual Help Hypothesis. 1–57.

Kenya was ranked among the top 3 countries in Africa and the lead in East Africa for the number of deals closed and the total amount of investment raised for Small and Growing Businesses (SGBs) from private equity and venture capital firms. In 2018, Nigeria, South Africa, and Kenya led the continent with an investment of USD 94 million, USD 60 million and USD 52 million raised to fund innovative SGBs respectively[8]. Despite being ranked high in Sub-Saharan Africa, Kenya's investment ecosystem is very distinct from Nigeria and South Africa. The landscape has experienced a steady growth between 2016 and 2018. Before 2010, South Africa often received more than 50% of the continent's PE/VC investments, a phenomenon that has changed with the rise of Kenya and Nigeria as alternative destinations for investors[9].

This review focuses on startups and other early stage enterprises on the demand side and VC and PE funds on the supply side. Even then these types of enterprises and sources of funds vary greatly in terms of preference, risk appetite and other objectives beyond the financial return on investment. However, it is commonly observed that VC and PEs aim for more aggressive financial returns which requires a rapid reorientation of management, operations and market scope. This may not be attractive to enterprises that place a significant weight on non-financial returns and are designed for steady organic growth. Some family businesses passed on from generation to generation may fall under this category. Such businesses may not be attractive to VC and PE funds that ideally aim for rapid expansion to enable a profitable exit. Without VC and PE, the other source of substantial commercial capital would be banks. Cost of capital in Kenya is perceived to be high compared to other African countries. In Kenya, access to bank debt is the third most preferred source of funding after retained earnings and family and friends[10]. Thus, higher lending rates discourage many entrepreneurs from accessing finances. Since Africa is an emerging market to PE/VC funds, the investors are forced to take up more responsibilities of coaching, mentoring and training the entrepreneurs, thus, incurring additional management costs which would make operating a fund in Silicon Savannah more expensive than in Silicon Valley. Therefore, the cost of equity is higher given the tasks and services they provide for the start-up to become successful.

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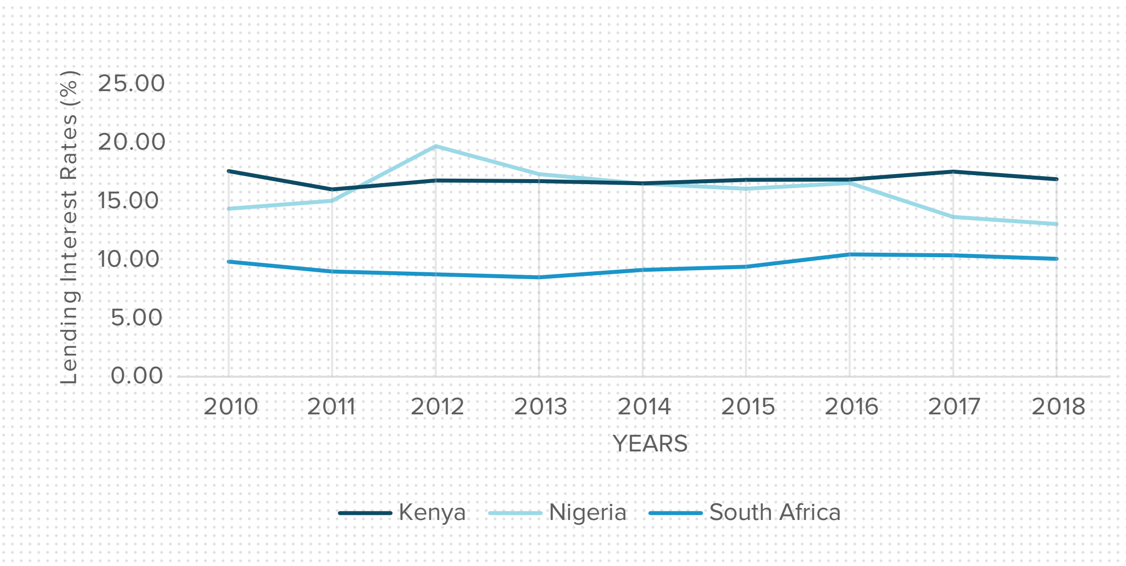


Figure 4: Lending rates in Kenya, Nigeria and South Africa

(Source: World Bank Data – Lending Interest Rates)

Figure 4 shows that there is a high cost of debt in Kenya and Nigeria compared to South Africa

8 Disrupt Africa (2019). African Tech Startups Funding Report 2018.

9 Divakaran, Shanthi, Patrick McGinnis, and Sam Schneider. Survey of the Kenyan Private Equity and Venture Capital Landscape. The World Bank, 2018.

10 Business Consulting Team, Intellecap. #Closing the gap Kenya. Update on Key Challenges for the "Missing Middle"in Kenya (2015).

Aside from contending with the cost of capital in Kenya, locally owned enterprises also face a limited range of funding options for seed financing. In the global south, there exists a significant gap in the emerging markets for early-stage financing[11]. A study done by the World Bank Group's Climate Technology Program (CTP) on financing gaps in start-ups life cycle in Kenya, highlights seed capital stage as a valley of death for many start-ups because investors either finance ventures requiring $100K or $1 Million creating a clear gap. Beyond that, it is further reiterated that this exists because the deal sizes are far too large for micro-finance institutions and incredibly small for venture capital and private equity funds . Equally important to note is that beyond the existing gap, even fewer investors are interested in customer discovery and testing models such as; refining business models, market research, engaging potential clientele, early product development among many other activities key for start-up success[12]. Early stage financing gap needs to be bridged with the existence of funds such as *Good Capital* in India investing in early stage start-ups between seed and series A stage, providing capital between $100K and $2 Million[13]. Increasing the funding available will enable more local entrepreneurs to show proof of concept and progress to seed round fundraising.

An entrepreneurial ecosystem should ideally offer both social and economic resources to support the growth of businesses. Social capital, whose main currency is trust, is governed by networks and interactions among players. In trying to understand the role that trust plays in an entrepreneurial ecosystem, academics carried out a cross-section study [14]of countries based on the GEI reports. Their quantitative findings concluded *"About half of the variability in entrepreneurial spirit across the world is driven by trust considerations."* Trust is crucial within social network as it leverages easier access to reliable and exclusive information and resources such as networks, relational connections that would enable an entrepreneur to perform at a higher level than potential competitors in the same market[15] . A direct consequence of distrust in an ecosystem makes the system unable and unwilling to consider both new ideas and people with merit. Therefore, major emphasis on building trust within the ecosystem is paramount.

Risk-aversion and intolerance to failure is best exemplified by the 'side-hustle culture' in Kenya. Although anecdotal, many entrepreneurs maintain their full-time jobs while running or pursuing a secondary venture on a deal by deal basis[16]. The adherence to part-time entrepreneurship is presumably due to an intolerance for failure. An argument can be made for risk aversion and intolerance of failure in societies with much lower social safety nets and culturally higher dependents or "forced mutual help" [17]. As a society, there needs to be more cultural support offered to entrepreneurs and an acceptance of failure as a vehicle to shape and inform the ecosystem.

11 Ventures, Kenya Climate. "Designing an Innovative Financing Model for Early Stage Clean Technology Companies."

12 Matt Haikin (2018). Voices of the Silicon Savannah: Key challenges facing Kenya's social-tech ecosystem - views from within

13 Manish Singh (2019). Good Capital launches to close the funding gap for early-stage Indian startups. https://techcrunch.com/2019/09/08/good-capital/

14 Kodila-Tediak, O. and Agbor, J.A. (2015), "Does Trust Matter for Entrepreneurship: Evidence from A Cross-Section of Countries" (Working Paper WP/15/057), African Governance and Development Institute

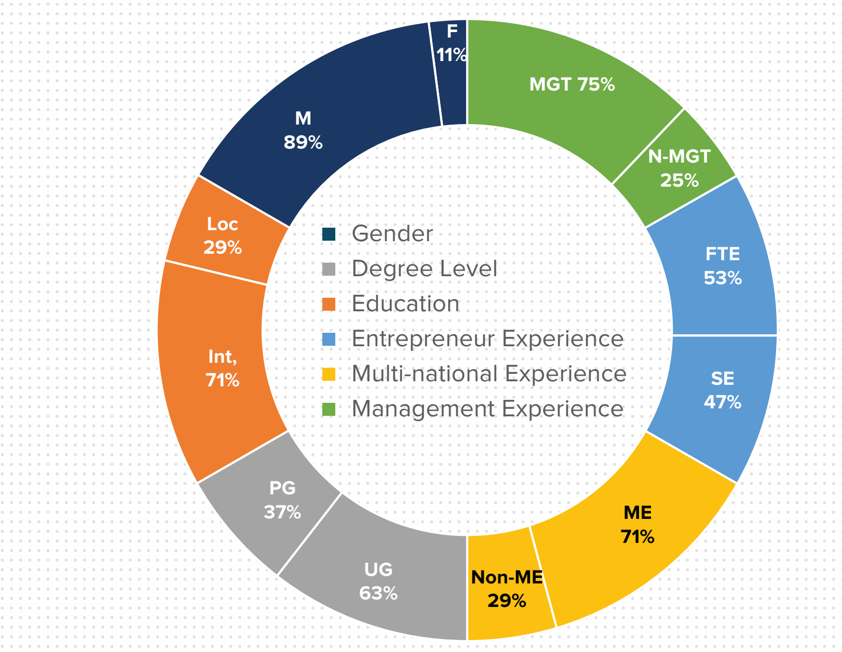
15 Jeffrey Mulddon, Antonina Bauman, Carol Lucy, "Entrepreneurial ecosystems: Do you trust or distrust?", Journal of Enterprising communities: People and Places in the Global Economy, https://doi.org/10.1108/JEC-07-2017-0050

16 Gugu, S., & Mworia, W. (2017). Venture Capital in East Africa: Is there a Right Model? In Venture Capital in East Africa: Is there a Right Model? (pp. 429–458). https://doi.org/10.1057/978-1-137-57878-5

17 Alby P., Auriol E., and Nguimkeu P. (2013). Social Barriers to Entrepreneurship in Africa: The Forced Mutual Help Hyphothesis

Experience, exposure and networks

A recent study by academics from MIT, Northwestern University, the US National Bureau of Economic Research and the US Census Bureau published in the Harvard Business Review debunks the myth that there is an association between successful startups and the youthfulness of the founders[18]. The research finds that the average age of a successful startup founder is 45. The authors argue that age is not, in and of itself, the key determinant but that older founders are more likely to have experience. Although the US market context is very different, the same principle seems to apply in this region as well. In order to understand the common characteristics of successful local enterprises in terms of capital raised, we profiled (using publicly available information) 17 enterprises across Kenya, South Africa, Nigeria and Egypt (see Annex 1) assessing various factors based on enterprise composition of founders to include factors such as gender, highest level of education, work/education abroad, past work experience or experience starting another venture. We use highest level of education and experience abroad as proxy indicators of exposure and strength of networks while work experience or previous experience starting a business as indicators of experience. Experience abroad is viewed as particularly important because given the ecosystem, majority of the investors are international and often foreigners. Therefore, having such exposure widens your network circle reducing the degree of separation to the key stakeholders in the ecosystem. We find that on the highest level of education, 63% of start-ups had at least one founder with an undergraduate degree while 27% of the enterprises had a founder with post-graduate qualifications. About 71% of enterprises had a founder/founders with an international experience as well as 71% of the start-ups had a founder/founders with previous exposure of working with multi-national organizations. Regarding entrepreneurial experience, 53% of the enterprises were founded by first-time entrepreneurs whereas 47% were founded by serial entrepreneurs. Previous experience in managerial roles shows that 75% of the start-ups were founded by an entrepreneur(s) who held managerial roles in their former employment. Also, only 11% of the enterprises had at least one female founder.



Gender; Male(M), Female(F), Education; International (Int), Local (Loc); Degree Level Undergraduate (UG), Postgraduate (PG); Multi-national Experience (ME), Non-Multinational Experience (Non-ME); Entrepreneur Experience, First Time Entrepreneur (FTE), Serial Entrepreneur (SE); Management Experience (MGT), Non-management Experience (Non-MGT)

Figure 5: **Characteristics of successful enterprises (profiles of the founders)**

18 Azoulay P., Jones B. F., Kim J. D. and Miranda J., (2018), Research: The average age of a successful startup founder is 45, Harvard Business Review.

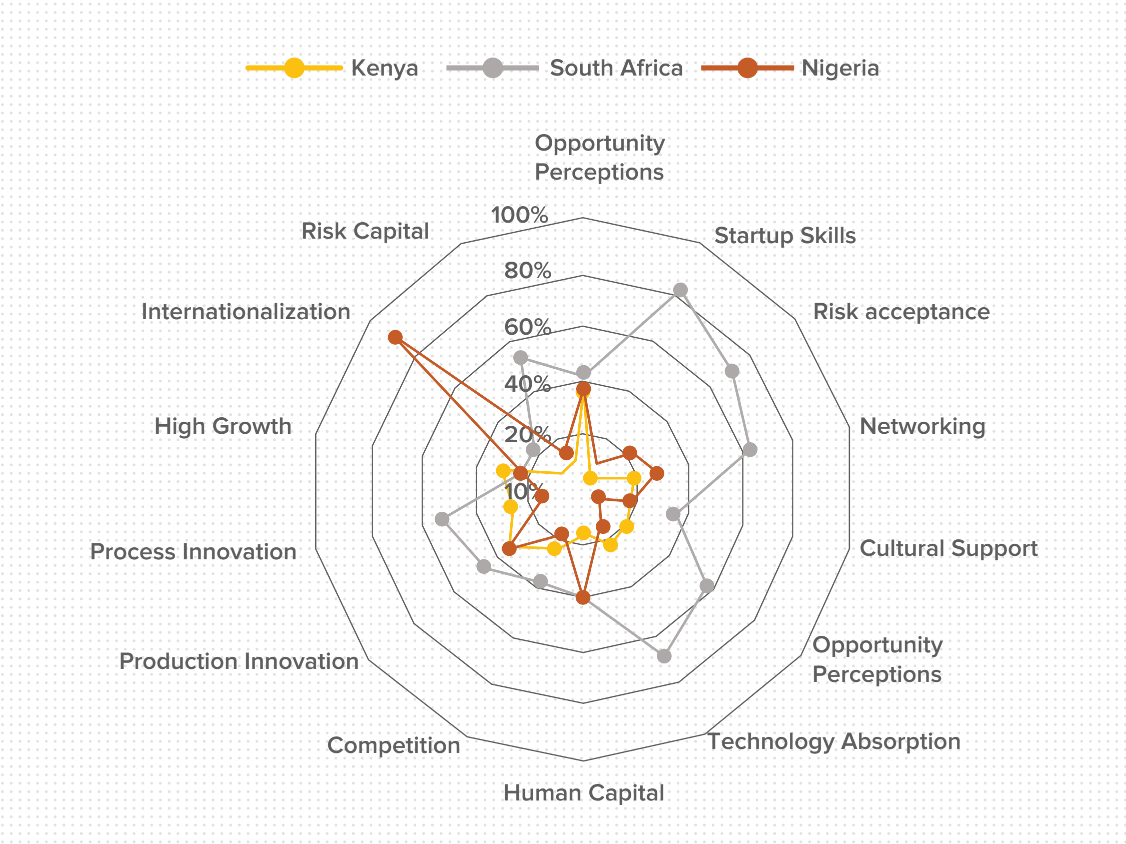


Figure 6: **Global entrepreneurs index pillars**

Experience is important in operations and management, therefore key in execution. Exposure contributes to the founders' sense of possibility and ambition, which is paramount when operating in relatively small national markets such as the ones we have on the continent. Strength of networks complements experience and exposure as it provides links to sources of funding, potential business partners, ecosystem support services and other ingredients needed for a high growth scalable enterprise.

The shortfall in some of these characteristics among entrepreneurs in Kenya relative to those in Nigeria and South Africa is illustrated by the Global Entrepreneurship Index (GEI). Kenyan enterprises score low on "internationalisation" which is a measure of the degree to which the enterprises want to enter the global market and produce goods or services valued globally (see Figure 6). Kenya also scores very low on human capital which is a measure of education and training entrepreneurs receive in business. Many of the GEI pillars are associated with experience, exposure and strength of networks but we recognize that there are other critical ecosystem factors that contribute to the success of enterprises. These include availability of risk capital, startup skills, cultural support, product innovation, process innovation among others.

Addressing the imbalance

There are several efforts in Kenya to address the imbalance by bridging the skills, opportunity and capital gaps. These primarily target locally owned enterprises and include Biz4Africa, Kenya Climate Innovation Centre, AFD's Initiative Choose Africa, East Africa Venture Capital Association, Nairobi Innovation Week, GrowthAfrica, VC4Africa among others. These provide a suite of support services including networking, business advisory services, seed funding, advocacy, match-making among others. Lessons from other markets as demonstrated by the three examples below (Y Combinator, 500 startups and Co-creation hub), show that these are the main types of services needed to support early stage businesses.

Y Combinator

Y Combinator

Y Combinator (YC) is an international incubator based in the United States of America (USA) and has incubated SGBs since 2005. It has 18 companies valued at $1 billion, over 100 companies each valued over $150 million, with a cumulative value exceeding $155 billion. Y Combinator is globally known for having incubated prominent businesses such as Airbnb, Weebly, Reddit, Flutterwave amongst many others. Its primary work is working with entrepreneurs on their ideas from simplistic ideas on a company name to internationalization in pursuit of achieving world domination. Y Combinator also offers advice and protection to founders when dealing with investors. They do this by providing lawyers who can help founders with paperwork to ensure founders do not encounter legal issues. By using their networks, Y Combinator introduces founders to investors who express interest in closing a deal, while, teaching the founders how to close the deals. Furthermore, they also help the SGBs to hire their first employees. Under the YC core program, where they incubate entrepreneurs for 3 months, they organize a 'Demo Day' where incubated companies from each batch present their ideas to invite-only investors who are given the opportunity to meet the founders. Through this program, each batch raises approximately $250 million. Through their start-up school, SGBs have an opportunity to network with other founders and investors. Additionally, YC provides mentors to founders to guide and provide advice on diverse issues and challenges that they may face during the start-up stage[19].

19 Ycombinator,2019. https://www.ycombinator.com/

500startups

500 Startups

500 startups is a global incubator and a venture capital firm focused on developing and actualizing entrepreneurs' ideas to achieve the best execution. The company has a global reach of over 75 countries. 500 startup has a 4-month seed programme hosted in San Francisco, where young entrepreneurs are incubated and equipped with start-up skills. Founders are given a platform to interact and build a community that often is valuable in exchange of experiences and information. Also, entrepreneurs have access to more than 200 mentors and staff that have experience in guiding successful and exited start-ups. This program also avails a wide variety of experts in product design, marketing, startup accounting, sales and much more than the entrepreneurs can access on their own. The incubator also provides support services such as investor pitch, growth metrics and planning, and business and product strategy. These support services are useful in ensuring that the founders plan and execute their ideas well beyond their initial ideas. Furthermore, the company provides networking opportunities, connecting founders to clients and investors. These allow the entrepreneurs to foster relationships that they would not have otherwise been able to at their start-up level. 500 startup also organizes a 'Demo day' where entrepreneurs can pitch their ideas to investors, an event that has seen many founders secure funding for their companies.

Co-Creation Hub

Co-creation hub is a successful incubator in Nigeria that has supported enterprises amassing large amounts of investment such as TenderNG and OffCampusNG from venture capital firms in the country. The company supports the SGBs in three stages namely; pre-incubation, incubation and acceleration stage. At the pre-incubation stage, the incubator provides an investment of $5,000 and advisory for 6 months working towards validation of entrepreneurs' ideas, hands-on mentoring from the management team and support from the product development team. However, the incubator does not work with the entrepreneurs to expand their initial idea to achieve global domination. In the second stage, incubation is a 12-month programme where the entrepreneurs can access $25,000 during the programme and $250,000 growth capital after the programme. At this stage, the SGBs are given guidance on revenue growth and global expansion. It is at this stage where entrepreneurs have access to partner networks and free office space. Acceleration is a 12-week programme that focuses on financial management, product development and coaching from experts.

There are many differences, scale-wise between these three accelerators and those within the Kenyan ecosystem, but the principles are generally the same. This leaves us with a fundamental question; *how do we enhance the experience, exposure and network strength of entrepreneurs within our ecosystem?*

As mentioned above, already much is being done in Kenya to address the imbalance of capital flows. In addition to these efforts, there is need to i) encourage more investment from local high net worth individuals into startups and other early stage businesses, ii), create opportunities for partnerships between locally owned and foreign owned enterprises, and iii) stimulate interest to expand in regional and global markets among locally owned businesses.

Table 3: Summary of constraints in the ecosystem and possible solutions

	Typical constraints	Opportunity to improve
Encourage more investments from local investors	• Limited awareness on the opportunities among startups • Limited understanding of the risk/return ratios among startups • Dependence on traditional investment including property	• Develop channels for matching local and foreign investor funds • Supporting awareness forums that outline the opportunities • Market intelligence briefing (like stock market reports) that help local investors better understand the market • Mass media awareness campaigns such as KCB's Lion's Den series.
Partnership between local and foreign-owned enterprises	• Lack of networking and information sharing forums • Mistrust or misalignment in strategy	• Incubators and accelerators to facilitate forums that bring together both local and foreign entrepreneurs. • Better presentation of the value proposition for the local and the foreign entrepreneurs • Exchange programmes between local accelerators with foreign counterparts

Diversification of financial options	• Limited financial instruments in conventional financial options • Lack of sufficient financing at seed stage • Unavailability of bridge financing for start-ups	• Increasing targeted funds for start-ups at seed stage. • Standardized valuation method based on growth potential and market to aid start-ups at the seed stage to raise capital. • Exploration of existing platforms for seed-stage funding such as crowdfunding, angel networks, incubators and accelerators, and corporate seed funds among many others. • Incubators to assist entrepreneurs in transforming idea to commercial operation to achieve business traction used to pitch for seed stage financing. • Incubators / accelerators and entrepreneurs to prepare and present value proposition, growth plans, financial projections, pricing and business model/plan to potential ideal investors.
Building stronger networks for local entrepreneurs	• High membership fees restraining entrepreneurs to join the existing global and regional entrepreneur network associations • Lack of vibrant local entrepreneur associations that focuses on local entrepreneurs	• Building active and vibrant entrepreneur associations that target local entrepreneurs • Entrepreneurs to explore and join existing global and regional networking platforms with local reach that provide platforms for networking such as YEN Africa, Entrepreneur Organizations (EO) Kenya and the Global Entrepreneurship Network (GEN) Africa • Emulation of organizations such as “The Entrepreneur’s Club” that focuses on building a community of entrepreneurs from different geographical origins and sectors while including angel investors, venture capitalist and technology experts.
Stimulating interest in developing internationally scalable businesses	• Limited understanding of markets beyond their region of interest • Minimal exposure to other geographical contexts • Low appetite for rapid scaling	• Increasing the exposure through bootcamps that widens their sense of ambition and possibility. • Entrepreneurs can explore international incubators/ accelerators to complement locally available resources.

Annex 1

#	Company/ Funding ($m)	Founder(s)	Gender	Education Abroad	HED	Multinational Experience	Position Held	Entrepreneur Experience	Country
1	Cellulant 47.5	Bolaji Akinboro	M		PG		-	-	Kenya
		Ken Njoroge	M	×	PG	×	Co-Founder/ Solutions Design Director		Kenya
2	Twiga Foods 10.00	Grant Brooke	M		-	-		-	-
		Peter Njonjo	M	×	UG		President – Coca-Cola	×	Kenya
3	Africa's Talking 8.62	Samuel Gikandi	M		PG		Head Strategist/ Developer – Morgan Stanley	×	Kenya
		Eston Kimani	M		UG	×	-	×	Kenya
4	Lori Systems 6.17	Jean-Claude Homawoo	M		PG		Team Member – Council on Foreign Relations/ Product manager - Google		
		Josh Sandler	M		PG				Kenya
		Gichini Ngaruiya	M		UG		Co-Founder – Farisi Systems/ E la Carte		Kenya
5	Sendy >3	Mesh Alloys	M	×	UG	×	Co-Founder Ondemand Mobile/ MLT systems		Kenya
		Don Okoth	M	×	UG	×	Co-Founder MLT systems		Kenya
		Evanson Biwott	M	×	UG	×	Software Developer MLT	×	Kenya
6	Flutterwave 10.00	Iyinoluwa Samuel Aboyeji			UG	×	Co-Founder Andela		Nigeria
7	Kobo360 6.00	Ife Oyedel	M		UG		Business Manager – General Fuels Company	×	Nigeria
		Obi Ozor	M		UG		Operations Coordinator - Uber	×	

8	Andela 180	Ian Carnevale	M		UG	×			Nigeria
		Iyinoluwa Aboyeji					-		
		Jeremy Johnson					-		Nigeria
		Christian Sass					-		
9	Paystack >8	Shola Akilande	M	×	UG		Co-Founder Klein Devort		
		Ezra Olubi	M	×	UG	×		×	Nigeria
10	Webuycars 98.00	Faan van der Walt	M		UG	×		×	South Africa
		Dirk van der Walt	M	×	UG	×			
11	Yoco 16.00	Katlego Maphai	M	×	UG		Global Ventrue Development – Rocket Internet GmbH	×	South Africa
		Carl Wazen	M		UG			×	South Africa
		Lungisa Matshoba	M	×	UG	×	Co-Founder -Yeigo Communications Pty Ltd		South Africa
12	Jumo 12.50	Andrew Watkins-Ball	M	×	UG		Co-Founder MWB Capital	×	South Africa
13	SweepSouth >3m	Aisha Pandor	F	×	PG		Business Analyst - Accenture	×	South Africa
		Alen Ribic						×	South Africa
14	SWVL >42	Mostafa Kandil	M		UG		Head of Operations – Rocket Internet SE		Egypt
		Ahmed Sabbah	M	×	UG	×	Co-Founder - Goyasites	×	
15	MFS Africa >13	Ekechi Nwokah	M	×	PG		Principal Security Engineer	×	
		Kunle Olukotun	M		PG		Professor-Stanford		Nigeria
16	12Mines >13	Adia Sowho	F		PG		Director – Digital Business	×	
17	Ajua (mSurvey) >3.5	Louis Majanja	M		PG		Software Developer – UC Berkeley	×	Kenya
		Kenfield Griffith	M						

*HED-Highest Level of Education

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