

# Entrepreneur Support Sector Strategy

## Context

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SOBA researched and published an assessment of the entrepreneurial ecosystem in Sierra Leone along eight key pillars – Business Support Services, Access to Finance, Culture, Access to Markets, Infrastructure, Policy, R&D, and Human Capital. In our assessment, gaps in Culture, Business Support Services, and Human Capital were key areas that the SOBA program could address given timing and scope. Recommendations in these areas included:

### **1- Building self-sufficient professional services industries that are well-aligned to small and growing business needs.**

- Direct support to business enablers to help them to better align their service offerings to entrepreneurs' needs. This would help to address the current disconnect between the supply and the demand for business support services. Such interventions could include support towards streamlining the range of services provided by business enablers, identifying opportunities for cross-collaboration and synergies across business enablers, adjusting the pricing of business support services to match entrepreneurs' willingness to pay, improving communications and outreach, and building capacity within business support organizations.
- Improve awareness of the business support services present in Sierra Leone. This should include the provision of transparent information on the price for such services as it would help to increase demand for these services among SGBs.
- Tie fee structures to company performance as an incentive for entrepreneurs to trial new practices. This would help to increase entrepreneurs' willingness to pay for business support services and to get a better sense of the benefits they can get from these.
- Build conviction among entrepreneurs that assessing and prioritizing their business needs early on would achieve growth faster. Expert support in core business needs is an important step towards enabling businesses to scale up and to accelerate their growth.

### **2- Assisting business support organizations to play a visible role toward celebrating and contributing to growth entrepreneurship.**

- Organizations can build understanding and conviction for their role in boosting SGB performance. Innovation labs can play a key role towards helping entrepreneurs' to better understand the notion of growth entrepreneurship and the value that the business support organizations can themselves play towards facilitating this.
- Organizations can also play a central role toward developing a pipeline of vibrant SGBs. Supporting the organization of yearly business plan competitions in association with local stakeholders would help to durably systematize the process of identifying and kick-starting growth entrepreneurs in Sierra Leone. The Makeni Business Idea Competition organized by the University of Makeni, Edulink, and E4Impact, and the Unreasonable Labs organized by SOBA, DFID and Sensi Tech Hub are good initiatives to leverage.

**3 - Improving the professionalization and fit of training and human resources service providers for Sierra Leone market, helping to address the skills gap within businesses' existing workforce.** This could be done by working with training providers to test and market solutions fit for small businesses such as rapid skill development and talent selection programs like Andela or regular low-cost large attendee customer service training programs across the country.

**4 - Stimulating dialogue between employers, skills institutions and job seekers**, helping to fast-track the process of matching workforce supply and demand by helping entrepreneurs to communicate their workforce needs and job seekers to better understand the opportunity.

**5 - Strengthening market-driven educational and skill development systems for labour markets to improve the supply of a young, skilled workforce that well-matches SGB needs.** This could be done by encouraging the introduction within the education system of TVET subjects matching with employers' demand for technical skills. At university level the introduction of practical entrepreneurship training curricula would increase youth graduate employability within SGBs. Both interventions could be paired with the introduction of apprenticeships and internships schemes within secondary and tertiary education institutions to help youth accessing practical business skills and behavioral skills at an early stage. Systemizing the provision of life skills and business skills training within the education system would help address the behavioral issues characterizing most inexperienced youth entering the labor market.

**6 - Catalyzing the emergence of information-rich entrepreneur communities** could help address trust and risk tolerance challenges among entrepreneurs. The development of small stakeholder groups centered on shared interests and involving businesses working at different points along supply chains could encourage product improvements and a positive sum approach to capturing market share. These groups could be reinforced through digital and social networks as well as scheduled joint initiatives to promote success and create links across networks, such as co-working spaces. This cross-group learning also provides role-modeling for future entrepreneurs and facilitates the sharing of information and skills through networking.

**7 - Highlighting entrepreneurial success stories** would help to change the conversations away from supporting necessity-driven entrepreneurs and toward growth entrepreneurs, serving as a driver of growth and as an inspiration for future generations.

## Objectives

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As part of SOBA's iLab, we are already implementing recommendations 1, 3, 4, & 5 by investing in the fit and SGB appreciation of marketing, financial services, and HR professional service providers directly.

To address 2, 6, & 7, SOBA seeks to

- 1) Prototype entrepreneur platforms to:
  - Increase desirability for innovative entrepreneurship resulting in:
    - i. Increased skilled labor participation rates in entrepreneurship
    - ii. More role-models to inspire potential entrepreneurs
    - iii. Additional guidance and mentors to mitigate start-up risks
  - Develop networks for future innovative collaborations to:
    - i. Accelerate business concept-to-reality timeframe through networks & mentors
    - ii. Create an open environment for information to flow between potential partners
  - Highlight SOBA successes to invite crowding-in to:
    - i. Increase success rates of entrepreneurial efforts through proven models
    - ii. Improve business results through pro-poor business models
- 2) Bolster other stakeholders to:
  - Improve fit and sustainability of entrepreneur support players.
  - Stabilize the financial conditions of incubation, innovation, and acceleration spaces to provide on-going services and sustain institutional memory of Sierra Leone's entrepreneur ecosystem
  - Increase potential for further investment in entrepreneurship by highlighting success and high return investment areas in Sierra Leone

- Improve engagement and information flow between ecosystem players to accelerate the development of SME support and SME growth

Ultimately, more players and platforms that effectively support and accelerate SGB ideation, launch, and scale-up – particularly for target SOBA sectors – will result in increased incomes for suppliers, workers, and traders linked to SGBs.

## Strategy

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To accomplish these objectives, SOBA will work in the three areas below:

- 1) Social & Business Networks: Foster and improve stronger networks within the entrepreneurial ecosystem to accelerate the development of SGB support and SGB growth
  - Improve availability of spaces to foster collaboration and improve effectiveness of offerings
  - Develop a customer and stakeholder database of existing businesses and support players
  - Develop a series of networking events that attract entrepreneurs, professional services, investors.
- 2) Culture of Entrepreneurship: Build desirability for growth entrepreneurship to ignite policy changes, improve access to investor funding, and increase quality of entrepreneurs
  - Ensure consistent public showcasing of entrepreneurship in SL through regular scheduled public gatherings and digital channels
  - Write and distribute publications on entrepreneurship in SL
  - Analyze current profile of entrepreneurs served vs need for entrepreneurial support and design offerings for new customer segment (ie: Business Clinics)
- 3) Incubation & Acceleration Support: Increase fit for SGBs and sustainability of innovation/incubation spaces to ensure long-term viability outside of donor priorities
  - Trial innovation accelerator program, Unreasonable Labs
  - Partner with existing spaces to adapt their business practices around modeled platforms
  - Evaluate current innovation/incubation spaces to understand their business models and develop paths to sustainability
  - Jointly develop outreach campaign to increase corporate support of entrepreneurial and innovation activities

## Interventions

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### Social & Business Networks & Culture of Entrepreneurship

Three entrepreneur-focused platforms will be launched by SOBA to foster networks and improve the culture of entrepreneurship.

1. Entrepreneur Coffee Hour
  - Purpose: Discuss cultural issues around entrepreneurship. Highlight entrepreneurial leaders. Increase connectivity between ecosystem members.
  - Frequency: Once / month
  - Format: 2 Hours. Keynote speaker to address a cultural obstacle for entrepreneurs (ie: trust, collaboration, reacting to failure)
2. Pitch Night & Speaker Series

- Purpose: Aspiration building: Increase desirability and confidence in pursuing entrepreneurship. Provide pitch practice to entrepreneur. Role-model pitching and entrepreneurship to others. Provides stability to entrepreneurship activities. Provides linkages to markets, investors, and capacity developers.
- Frequency: First Wednesday of Every Month
- Format: 3-5 Pitches and Keynote Speaker

### 3. Business Clinics

- Purpose: Targeted Business Support: Develop entrepreneurs with high human and financial capacity
- Frequency: Bi-weekly
- Format: 1 Hour Training followed by 1-2 hours of one-on-one consultations with SGBs

While run by SOBA, each program will be run with an execution partner who will be primary choice for eventual local control assuming the program achieves its goals.

Platform	Execution Partners
Coffee Hour	SENSI
Pitch Night	SENSI, Impact Hub, GEN
Business Clinics	Various consultants/firms from HR, Marketing, and Finance

### Local Incubation & Acceleration Support

#### 1. Unreasonable Labs

- SOBA partnered with Unreasonable Institute to bring the Unreasonable Labs Program to Sierra Leone. The Labs. The program is a 5-day curriculum which includes trainings in customer discovery, rapid prototyping, relationship building, and budgeting. Team are also connected with 10-15 volunteer mentors selected by SOBA. 10-15 teams are selected for the program following a competitive application and interview process. The program is designed to 1) develop a pipeline of organizations for SOBA or investment partners 2) model the 5-day accelerator program in Sierra Leone 3) Introduce the innovation cycle to high-potential entrepreneurs to accelerate growth.

#### 2. Existing Players

- There are currently four spaces in Sierra Leone (SENSI Hub, Innovate Salone, Impact Hub, & Innovation SL - in partnership with GEN Sierra Leone) and several entrepreneur associations (for example, Full Circle Africa, Born to do Business, iLead, Reader Club). Many of these organization have low reach and are in their infancy. SOBA intends to work with these partners along-side its platform prototyping to determine potential partner fit and areas for development. Each will also be evaluated to determine where, if any, intervention can be made to improve their own sustainability.