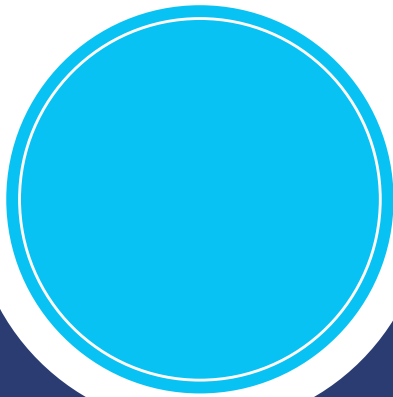


Capital Strategies (K) Ltd.



MENTORSHIP CASE STUDIES

• Training • Business Mentorship • Monitoring & Evaluation • Business Development Services

CAPITAL STRATEGIES LTD IS
MENTORING START-UPS
TO GROW AND EXPAND
THEIR BUSINESSES

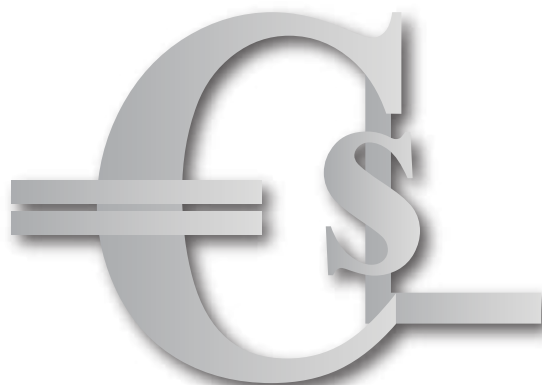
Capital Strategies (K) Ltd has vast experience in mentoring new business enterprises with the aim of enabling them to grow and expand their businesses. The goal of the mentorship programmes is to sustainably improve and support companies to grow and expand through provision of business mentorship support. The programme aims to fuel the success of these MSMEs and enable them survive and grow in revenues, customers, job creation among other commercial indicators.

Capital strategies aims to help innovative small-scale entrepreneurs to run their businesses better and in the process improve livelihoods while addressing day to day challenges.

"We work with the enterprises by holding the entrepreneurs' hands to help them to avoid the 'valley of death' and get to the next level."

~Pius Ng'ang'a, (Capital Strategies (K) Ltd, CEO.)

The approach entails Capital Strategies (K) Ltd convening joint sessions for the enterprises to be mentored in topics of common interest. In addition, we have a pool of mentors whom we assign to individual businesses to offer tailor-made mentorship. Below are some of the experiences the MSMEs have had during various mentorship programmes that we have undertaken.



Nawiri Agribusiness EPZ Limited is a social enterprise co-founded by three women in pursuit of empowering rural smallholder farmers and agents in the macadamia nuts value chain. The company sources the nuts from thousands of small- scale farmers from lower eastern, central and coastal Kenya, then processes and packages macadamia kernels for export to Europe, USA and Asia.

However, the challenge is lack of enough nuts to keep the production process running throughout the year. There are a number of companies targeting the same small- scale farmers for the supply of macadamia. The supply is likely to improve with the introduction of grafted macadamia plants which are likely to mature faster and yield more nuts. The company buys a kilo of macadamia from farmers for a price ranging from Ksh. 100 to 190.



Figure 1: Directors of Nawiri Agribusiness EPZ Limited at their factory in Nairobi. From Left to right- Operations Director, Ms Charity Ndegwa, Managing Director, Ms Jane Maigua and External Relations Director, Ms Loise Maina.

According to Ms Jane Maigua, the company's Managing Director, mentorship provided by Capital Strategies (K) Ltd's Mr Joseph Murabula has helped the company to develop growth strategies and also mentors "come in to give sound advice in the management of the business." Ms Charity Ndegwa, the Operations Director, says the mentorship programme has inculcated critical skills among its staff and most importantly contributed immensely towards making the company investor-ready.

"Our mentor has been a blessing to us. We have always turned to him whenever we run into problems. He has been instrumental in guiding us to chart our future direction," Ms Ndegwa adds.

1) Nawiri Agribusiness EPZ limited



Figure 2: Directors of Nawiri Agribusiness EPZ receiving their award after emerging winners in Africa Women Innovation and Entrepreneurship Forum 2018

2) Mega Gas Enterprises

Mega gas Enterprises has developed a system that converts waste plastics to clean gaseous fuel through a clean process without emissions. This gas is sustainable and affordable. The byproduct of this process is liquid fuel.



Figure 3 : Mega gas receiving the 2nd runners up award in the Climate Launch Pad competition.

This is an alternative clean gaseous fuel compressed in cylinders used for cooking. It takes unsorted polythene waste by buying waste directly from members of local communities hence earning them some income that helps them improve their social economic status.

The liquid fuel produced is used to run motorized machines etc. It has proven economical and affordable to operators. The main target for the client is to clean residential areas and free them from plastic waste; creating a cleaner, healthier livelihood.

"We have gained a lot of knowledge on how to get to the market and get customers to buy our product. We have also learned on how to meet our customers' needs in the quality desired in the market hence we supply the customers to their satisfaction.

The highlight of the programme was being able to participate in the Climate Launch Pad competition and emerging first runners up. The best part about the programme was having a mentor who believed in us and who taught us skills on time and office management and leadership skills. And we were able to use these skills to perform well in the Climate Launch Pad competition." James Mulema, Mega gas co-founder.



3) MobiTech Water Solutions

Below is the link to a feature in the Business Daily.
<https://www.businessdailyafrica.com/corporate/enterprise/start-ups-benefit-from-mentorship-project/4003126-4899540-10jhcmmz/index.html>

Figure 4 Kelvin Gacheru, owner and founder of MobiTech Water Solutions displaying one of their water metres.

Sub-Saharan Africa's IT hubs are on the rise due a distinct African tech culture—an eagerness by the continent's youth to embrace technology in multiple forms. The continent's innovation spaces are occupied by young people in their 20s or even younger.

MobiTech is one of such innovations. The innovation is a remote real- time water solution that monitors water levels in tanks and reservoirs in any location via a mobile app. It targets water kiosks as well as large- scale users who need this information to optimise their water management operations. The technology, Mobi-Water, essentially leads to increased water use efficiency especially in a water- deficient economies like Kenya.

The application can also be used to measure the water levels in rivers and dams. This data can be used in the future to analyse climate change effects on water, such as the decrease in the dam levels. Being a water scarce country, there exists a major challenge in Kenya in ensuring access to water in both rural and urban areas. This causes frequent water shortages, rationing and communities having to spend hours searching for water.

According to MobiTech Water Solutions founder, Eng. Kelvin Gacheru, KCIC trainings have enabled them to grow their business.

"We have acquired additional skills through the mentorship activities undertaken by Capital Strategies (K) Ltd. They include human resource management, production of a business canvass,



4) Ecodudu

Meet Ms Starlin Farah, a medical student and Mr Adan Mohammed, a Biosystems engineer, two young and agile entrepreneurs whose lives revolve around a lively insect known as Black soldier fly or *Hermetia Illucens*. Both the insects and the youthful entrepreneurs are busy at a Juja go-down but for various reasons. The entrepreneurs are hard-at-work to grow their climate-smart business whereas the insects are busy with all they need to accomplish before their one-week lifespan elapses.

Not everyone can withstand the smell emitted by the active Black soldier flies. Yet Starlin, the Chief Operations Officer and Adan, the Chief Executive Officer, are oblivious as they are deeply engrossed in their routine roles, their eyes fixed on a bigger goal.

Ecodudu's goal is to solve two global problems: waste food and nutrient shortage by up-cycling discarded food to create sustainable and locally produced animal feed and natural fertiliser. They supply markets in Central Kenya and Nairobi. The larvae and adults of Black soldier flies are considered neither pests nor vectors. Instead, black soldier fly larvae play a similar role to that of redworms as essential decomposers in breaking down organic substrates and returning nutrients to the soil.

Black soldier fly larvae (BSFL) are an excellent source of sustainable protein for aquaculture, animal feed, and pet and human nutrition. The larvae have voracious appetites and can be used for composting household food scraps and agricultural waste products. Starlin and Adan have an arrangement with local hotels that supply them with left-overs to appease the voracious appetites of the larvae.



Figure 5 Founder and CEO of Ecodudu holding his award from Africa Entrepreneurship Award

The fly's multiplication rate is also high with a female fly laying an average of 500 eggs in a single session under conducive conditions. Ecodudu generates about three tons of larvae in 10 days. The high-in-protein larvae are killed then boiled to sterilise, dried and sold. Their clients include pig farmers, fish farmers and poultry keepers. Ecodudu also makes animal feeds on order. The residue after extracting the larvae is used to make fertiliser, another source of income for Ecodudu. A 50kg bag of larvae is sold for Ksh. 1,000 whereas a 50 kg of fertiliser goes for Ksh. 1,800.."

Besides acquiring skills to drive their eco-friendly business towards stability, the mentorship programme has helped Ecodudu to access partners that have helped the company to grow. Also, their financial management system was weak. But it has since been strengthened courtesy of the mentorship provided by Mr Sammy Kitula of Capital Strategies (K) Ltd.

Ukulima Tech Limited assembles and installs vertical gardens to households in the urban and peri-urban areas. Vertical farming is the practice of producing food in vertically- inclined surfaces and/or integrated in other structures. The layering of the tubes generates more planting space in a relatively small or limited space. It therefore presents people who are living in urban and peri-urban regions with a means to grow organic food for themselves and for profit.

Ukulima Tech's competitiveness and innovation is best demonstrated through their 40 Watts solar powered drip irrigation kit. The kit is inclusive of the solar panel and a water tank. Garden automation is an automatic system of irrigation that enables individuals to irrigate, manage and control their farm system remotely through a touch of a button. The unit cost of production of the standard system is \$145 (Ksh. 14,500) and retails at \$ 220 (Ksh. 22,000).

Other than increasing production, vertical farming's value proposition is that the people living in urban areas can grow their vegetables in their balconies hence reduce the growing concern of consuming vegetables that are full of toxins.

The company targets households in the urban and peri-urban areas with the intent to grow their vegetables organically and with access to minimal resources such as water and land. It is estimated that by 2030, 54% (23.6 million) of the Kenyan population will live in urban areas. The company targets to reach 10% of this population.

Ms Brenda Awuor, Ukulima Tech Ltd's co-founder, says the mentorship injected a new sense of business management. "We were trained in business management, book keeping, branding and marketing by Capital Strategies (K) Ltd. This transformed the way we managed our company and put our company on a sound footing," she said.

One of the key benefits from mentorship is business management.

5) Ukulima Tech Company Ltd

"Before mentorship, we made imprudent decisions that could have made our enterprise to go under. Today, we document all our business decisions, we operate according to the law, we have eschewed the founders' syndrome where one mixes business and personal issues and we are confident that our growth and profitability projections are sound," adds Ms Awuor.

Ukulima Tech Ltd was supported by Capital Strategies (K) Ltd to come up with the company's list of dos and don'ts which guides them to run the company competently. Ukulima Tech Ltd was mentored by Capital Strategies (K) Ltd's Ms Pascalia Kitusa.

Having reorganised the enterprise and equipped with a concrete business plan with the support of Capital Strategies (K) Ltd, KCIC was convinced that Ukulima Tech Ltd qualified for financial support to enable it to leap to the next level. The support came in the form of a Ksh. 3.3 million grant.

After fully effectuating lessons learnt from the mentorship at incubation stage, the company was evaluated by the mentors to the Accelerator level. The company started with three employees but has now increased its personnel to nine.



Figure 6: Ukulima Tech co-founder inspect one of their vertical farm unit in the company of the mentors

6) Ecoburn Energy Solutions

Ecoburn is hardly a year old yet its innovative ideas, if brought to fruition, will transform the energy landscape occupied by the poor in peri-urban areas for many years to come. Started in 2018, the social enterprise is deep into production of carbonised briquettes from agricultural waste and charcoal dust.

The company's CEO, Mr Chris Njehu, targets schools and other institutions, hotels and households as their key clients. He believes his enterprise will play an important role in the conservation of forests. "You need 18 hectares of fast- maturing forest to produce one ton of charcoal. We therefore need to save our forests by providing cleaner and cheaper cooking alternatives for low-income peri-urban dwellers," he says, including how to apply for grants."

Before it was enlisted for mentorship undertaken by Capital Strategies (K) Ltd, Ecoburn had challenges in market penetration, business management and book keeping. Since joining the mentorship programme, the company has now eliminated these challenges and has recorded improved sales after winning reliable customers due to the newly acquired marketing skills. It also makes better business decisions due to confident management skills and Njehu is excited because the company is just about to win a big corporate customer, thanks to the marketing skills acquired during mentorship.

"We have benefitted from eight group mentorship and six technical sessions facilitated by Capital Strategies (K) Ltd's consultants. We greatly appreciate the mentorship that was provided by experts during these sessions," Njehu adds. The future looks bright for Ecoburn.

"Mentorship has enabled us to come up with a business plan, we have identified our niche market, have confident business management skills and we have the ability to make better business decisions," Njehu states.

7) Full Spoon Ltd

Full Spoon Ltd is an agribusiness company doing value addition to locally-grown peanut by processing it to peanut butter. The peanut is grown by women's groups from Busia County. The company has an agreement with two women's groups—Okipione in Teso South and Bumala B in Nambale. They also supply Full Spoon Ltd with simsim.

The company produces two products: Tamuu nut, which is the main product and nutri-nut. Tamuu nut is made from only two ingredients- roasted peanuts and salt. There are no additives, and no preservatives. Tamuu Nut is sold at local kiosks in sachets of 40g at a cost of Ksh. 20 per sachet. It is thus more affordable to the low-income earner. Full Spoon Ltd's main product, Tamuu Nut, is specifically targeted for the bottom of the pyramid (BOP) population across Kenya.

According to the founder of the company, Mr Lincoln Mbogo Babu, engaging with KCIC and benefitting from mentorship has been a boon to Full Spoon. "We were a startup when we started benefitting from mentorship programme. The mentorship undertaken by Capital Strategies (K) Ltd

helped us design an effective marketing strategy to increase our products' sales." The tailor-made mentorship also enabled them to understand and improve in the areas of taxation, human resource management and quality control. "The mentorship filled our organisational knowledge gaps in key aspects of business management," Babu says.

Mentorship also helped Full Spoon Ltd to develop an organisational strategy and develop promotional materials to market the company's products.



8) Home Biogas Kenya Ltd

Home Biogas Kenya Ltd has pioneered a small biogas digester that does not require heavy digging or construction. It occupies little space yet it produces more gas. The standard 3.2 by 2.0 metre digester produces five cubic metres of gas daily, which is capable of providing five continuous hours of cooking. This standard digester's efficiency matches that of an 18 metre cubic concrete system measuring 30 by 20 metres.

The new system only needs two buckets of cow dung daily to generate power. On the other hand, the older system needs seven to 12 buckets daily. The adoption of the new systems cuts on labour requirements. Also, the new system is easy to maintain since it is above the ground. This positioning also comes with another advantage—the sun heat speeds up the fermentation, hence accelerating gas production.

The mentorship programme funded by KCIC and implemented by Capital Strategies (K) Ltd has enabled Home Biogas Kenya Ltd to change their mindset and adopt a progressive approach in running the social enterprise. "We now call ourselves a team and not employees. We keep our records, our accounts are audited, we have clearly articulated company values which all employees adhere to and we have acquired all the requisite legal company documents. All these are products of the mentorship programme," states Mr Caleb Wasilwa, the company's Chief Technology Officer.

"Skills acquired through mentorship have enabled us to brand our organisation including mapping our stakeholders and developing a communication strategy to keep our stakeholders abreast of developments at our company. We also produce a journal on a regular basis," Wasilwa adds.

Business is thriving at Home Biogas Kenya Ltd, where they receive at least five orders for their modern digesters on daily basis. The company has the capacity to install 150 digesters per month. The installation takes up to three hours and the company makes about Ksh 20,000 in profit out of a single installation. Home Biogas Kenya Ltd is now ready for capital injection from investors.

9) Rafode Ltd



Figure 7: Rafode team receiving training from one of the mentors, Esther Agufana

Rafode Ltd is a micro-finance organisation working with the rural low-income earners in western Kenya. It supports micro and small businesses, renewable energy to off-grid rural communities and small holder farmers through provision of loans to access farm inputs to improve their indigenous food production for both commercial and subsistence thereby reducing food deficiency and increasing income to the rural poor households. Its main focus is to promote financial and social support to its clientele hence change lives.

"We wanted to grow our business and attract investment and that's why we applied for the mentorship programme," says Mr Antony Mayodi, CEO, Rafode.

Since joining the mentorship programme, Rafode has received tailor-made mentorship sessions both in Nairobi and Kisumu. Sessions conducted by Capital Strategies (K) Ltd, have targeted senior management staff and have focused on business management; company growth; effective management of staff (to enable the company to achieve its goals); how to set targets and expanding profitability. Capital Strategies (K) Ltd's Ms Esther Agufana was tasked with mentoring Rafode.

Other mentorship benefits, according to Mr Mayodi, include involvement of staff in the development and implementation of the organisational strategy; human resource management; setting and achieving organisational goals and expanding company profitability.

The mentorship programme has played a key role in the expansion of Rafode. A few years ago, Rafode's presence was only in six counties of western Kenya. Today, the outreach of this 10-year old company spans nine counties. The company has undertaken cost rationalisation to eliminate wastage. This has led to increased income. The management is currently hard at work developing a five-year strategic plan. Rafode targets to grow their portfolio to USD 1 million in the next three years. "We are confident that this target will be realised," adds Mayodi.



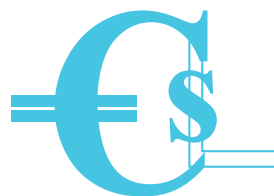
9) Miyonga Fresh Greens

Kenya's earnings from fresh produce exports in 2017 leapt to 115.25 billion shillings, an 11% increase over 2016 earnings. The data released by Fresh Produce Consortium of Kenya (FPC Kenya) indicates that the sector remained resilient amid political and economic uncertainties of 2017. Fruits and vegetables earned 9 billion shillings and 24 billion shillings, on export volumes of 56,945 tons and 87,240 tons, respectively.

Behind these impressive figures are small and large companies toiling daily to produce and export fruits and vegetables. One of them is Miyonga Fresh Greens. "Our export markets include Greece, Spain, the UK and the Netherlands. We are keen on exporting to France," says Ms Dorothy Otieno, a Director at the company. Their key exports include avocado; fine beans; sugar snap; herbs; baby corn and Rosemary.

"We have benefitted immensely from the Capital Strategies (K) Ltd's mentoring. They supported us to get Kenya Industrial Research and Development Institute (KIRDI) to test our mango powder which we exported to Germany. They also helped us to acquire the Good Agricultural Practices (GAP) certificate which is essential for exporting fresh produce. Since then, they have supported us in various ways," Dorothy adds.

Also, the mentor supported the company in the areas of value addition and training the company's management to be able to design and run effective company systems.



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