The Effectiveness of Entrepreneur Training on Business Venture Establishment: The Case of Youth in Fish and poultry in Kenya

authors

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The Metro AgriFood LivingLab
OUTLINE

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2.0 The Mall Business Training Program
   a) Design
   b) Implementation

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1.0 THE SETTING

Trend 1: population growth

The African bulge
Population, bn

Source: UN
Trend 2: Urbanization

**Growth of African cities**

% increase, 2010-2025 forecast

Source: UN-HABITAT
Implications

• Food shortage: Rural farming isn’t a job, but a livelihood, low educated workers, inefficient production and Agriculture is un-cool

• Unemployment, growing mismatch between supply and demand for skills
<table>
<thead>
<tr>
<th></th>
<th>subsistence farmer</th>
<th>agricultural producer</th>
<th>MetroFood entrepreneur</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>focus</strong></td>
<td>household</td>
<td>next link in the chain</td>
<td>metropolitan market end consumer</td>
</tr>
<tr>
<td><strong>crucial drivers</strong></td>
<td>survival</td>
<td>input/output optimization</td>
<td>value addition / 3P</td>
</tr>
<tr>
<td><strong>mindset</strong></td>
<td>own food</td>
<td>commodity</td>
<td>product</td>
</tr>
<tr>
<td><strong>critical competences</strong></td>
<td>farming skills</td>
<td>+ managerial skills</td>
<td>+ entrepreneurial skills</td>
</tr>
</tbody>
</table>

How and Where to intervene?

MALL Program

Agricultural producer

Grants
Development Aid
Multilaterals

Metrofood entrepreneur

WTO Multinationals
The Study Objective

To assess the impact of MALL entrepreneurial training intervention on business outcomes focusing on the difference between the treatment and the control group.
2.0 MALL BUSINESS TRAINING PROGRAM

a) BASIC DESIGN

• Program was developed and is being implemented by USIU-Africa through the GAME center and its consortium of partners (Licence to Grow - The Netherlands, Michigan State University – USA, VHL University of Applied Sciences – The Netherlands)

• 18 months duration

• Financial support from IDRC/ACIAR
MALL- BASIC DESIGN-1

- Program has 3 components: training, business counseling and action research
• The MALL training/education objective is to develop and provide critical entrepreneurship learning activities for business and market development skills and services; and

• to seek and train current and aspiring youth Metro Agri-food entrepreneurs with business ideas that have potential to grow and succeed.
Target: To identify 60 entrepreneurial youth (30 men and 30 women) to undergo training and business counseling so as to establish business ventures in fish and poultry in Kenya.

Age range: youth (18-35 years)
MALL- BASIC DESIGN-4

• Training approach of USIU GAME center was adopted

A--------B----------C----------D

Key
A: Agribusiness simulation (Recruitment workshop, Nov 2016)
B: week 1 training ( Feb 2016)
C: Week 2 training ( March, 2016)
D: debrief workshop ( August/Sept, 2016)
MALL- BASIC DESIGN-5

- 10 days training focus on improving entrepreneurial skills and competences
- The first set of 5 days focus --tools for developing business plans for resource mobilization.
- Next set of 5 days of tailored training
b) IMPLEMENTATION

Recruitment process

• **Advertisement:** The invitation for living lab applicants was advertised in the local daily newspaper (Daily Nation; Thursday November 12, 2015), etc

• **Outreach and Shortlisting:** one month period of outreach

• **Applicants completed a short survey:** info age, gender, business type
Recruitment process

- A total of 300 Applicants - from 28 out of 47 counties applied
- Gender
IMPLEMENTATION-2

• Age: 20% (18-23),
  41% (24-29),
  21% (30-35) and 3% 36 plus
  others didn’t indicate

• Sector
IMPLEMENTATION

- Three recruitment workshops were carried out by the research team and business counsellors;
  82 applicants attended western region, 69 applicants attended the central region and 99 applicants attended the Nairobi region.

- Venture concept definition questionnaire was administered to attendees before and after a 2 hrs agribusiness simulation training.
Implementation- 4
Selection process

- **Venture Ranking:** The panel of judges assessed the filled in venture concepts of the 250 participants who attended the three 1-day recruitment workshops. 190 youths act as control group. 60 selected (treatment group)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Total</th>
<th>Selected</th>
<th>Men</th>
<th>Mark</th>
<th>Women</th>
<th>Mark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poultry</td>
<td>177</td>
<td>43</td>
<td>23</td>
<td>Min 32</td>
<td>20</td>
<td>Min 26</td>
</tr>
<tr>
<td>Fish</td>
<td>38</td>
<td>12</td>
<td>5</td>
<td>Min 32</td>
<td>7</td>
<td>Min 26</td>
</tr>
<tr>
<td>Poultry+Fish</td>
<td>8</td>
<td>5</td>
<td>2</td>
<td>Min 32</td>
<td>3</td>
<td>Min 26</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>30</td>
<td></td>
<td></td>
<td>30</td>
<td></td>
</tr>
</tbody>
</table>
Implementation-5
Distribution of the selected youths

Regional Representation of 60 Selected Youths
Implementation- 6
Training Needs of the selected

• A needs assessment was done based on the 60 successful venture concepts. Below are the results showing the number of men and women out of 30 who did not get a maximum mark on the given component of Concept Definition.
### Implementation Needs Assessment

<table>
<thead>
<tr>
<th>Concept Component</th>
<th>M</th>
<th>W</th>
<th>Concept Component</th>
<th>M</th>
<th>W</th>
</tr>
</thead>
<tbody>
<tr>
<td>Describe product idea</td>
<td>10</td>
<td>15</td>
<td>How to compete?</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td>Target customer?</td>
<td>15</td>
<td>17</td>
<td>Production process?</td>
<td>17</td>
<td>21</td>
</tr>
<tr>
<td>Benefits cust. wanted?</td>
<td>9</td>
<td>18</td>
<td>Distribution process?</td>
<td>18</td>
<td>12</td>
</tr>
<tr>
<td>How to satisfy cust.?</td>
<td>17</td>
<td>23</td>
<td>Risks/limitations?</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Market to customer?</td>
<td>13</td>
<td>15</td>
<td>Plan to finance?</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>More cust. would pay?</td>
<td>20</td>
<td>22</td>
<td>Human resource plan?</td>
<td>18</td>
<td>16</td>
</tr>
<tr>
<td>Who are competitors?</td>
<td>21</td>
<td>23</td>
<td>Bus/prod dev backgrd</td>
<td>14</td>
<td>14</td>
</tr>
</tbody>
</table>
3.0 BASIC DATA DESCRIPTION

a) The Evaluation Sample

- Baseline information was collected on all the 300 program applicants
- 80 of the applicants were dropped because their concepts were not on fish or poultry
- 60 participants were selected (initial assignment or treatment group) and 160 non-experimental (control)
- Of the 60, 21 did not show up for training: hence realized treatment was 39
The Evaluation Sample

- Follow-up information was only collected for a subsample of the realized treatment group (39 participants), 21 now-show/dropouts and control group (25 non-participants).
- First follow-up was in the month of April, 2016
- The second follow-up August, 2016
The information on individual entrepreneur, business type, and business performance outcomes were captured.
### b) BASIC SAMPLE CHARACTERISTICS

<table>
<thead>
<tr>
<th>Individual characteristics</th>
<th>Treatment Group</th>
<th>No-show/drop out</th>
<th>Control</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age (in years)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At baseline</td>
<td>29.23</td>
<td>29.22</td>
<td>28.08</td>
</tr>
<tr>
<td>At Follow-up</td>
<td>28.39</td>
<td>29.17</td>
<td>28.91</td>
</tr>
<tr>
<td><strong>Years in business</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At baseline</td>
<td>2.65</td>
<td>3.0</td>
<td>2.1</td>
</tr>
<tr>
<td>At Follow-up</td>
<td>2.2</td>
<td>1.0</td>
<td>2.2</td>
</tr>
<tr>
<td><strong>Percent Male</strong></td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td><strong>Marital status</strong></td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td><strong>Highest level of education</strong></td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>

X there is no major difference of the values across the groups
KEY OBSERVATIONS

• Looking at groups, there appears to be only small and unsystematic differences between the groups
• Randomness test will be performed using MNL to determine the validity of these observations
4.0 PRELIMINARY RESULTS

• Categories of business outcomes
• Based on the collected data: three levels of business launches were identified as level 1, 2 and 3.
BUSINESS LAUNCH LEVELS EXPLAINED

• Level 1 Launch **(new venture of existing businesses)**: Acquisition of resources to fund a new venture for entrepreneurs who have existing businesses

• Level 2 launch **(start-up businesses & operations)**: Acquisition of resources/networks to fund start-up businesses & operations

• Level 3 launch **(start making or increase sales)**: Acquisition of legal documents & networks to start making sales or increase sales
# THE LAUNCH ANALYSIS OUTPUT

<table>
<thead>
<tr>
<th>Group</th>
<th>AFTER</th>
<th>BEFORE</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treatment</td>
<td>x</td>
<td>x</td>
<td>19</td>
</tr>
<tr>
<td>No-show/Dropout</td>
<td>x</td>
<td>x</td>
<td>3</td>
</tr>
<tr>
<td>Control</td>
<td>x</td>
<td>x</td>
<td>6</td>
</tr>
</tbody>
</table>
5.0 Suggestions on Way Forward
THANK YOU

QUESTIONS