INFLUENCE OF ACCELERATOR PROGRAMS TO THE GROWTH OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) SUPPORTED BY TONY ELUMELU FOUNDATION- KENYA
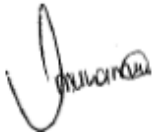
BY

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF SCIENCE, (MSC) ENTREPRENEURSHIP AND INNOVATION MANAGEMENT

DECEMBER, 2020

DECLARATION

This research project is my original work and has not been presented for a degree in any other University.

Signature……………………………………………… Date……… 30 November 2020 ………….

LORNA MUNAMA GIKABU

D66/86908/2016

This research project has been submitted for examination with my approval as the

University supervisor:

Signature………………………………………….Date……… 30 November 2020 ………….

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DEDICATION

I dedicated this research project to the University of Nairobi for instilling in me knowledge during my time at the University and for the support I have received from my project Supervisor and the Department of Business Administration during the project period.

ACKNOWLEDGEMENT

I would like to thank Dr. Florence Muindi for being a constant source of support from the beginning of the project proposal up to completion of the project. I thank the University of Nairobi for equipping me with knowledge, resources and constant support during the project period. I would like to thank my parents for urging me on in my endeavor to complete this project and being a constant source of support.

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ACRONYMS/ABBREVIATIONS

ANOVA	Analysis of Variance
ANDE	Aspen Network of Development Entrepreneurs
CAGR	Compound Annual Growth Rate
GDP	Gross Domestic Produc
KNBS	Kenya National Bureau of Statistics
MFI	Micro Finance Institutions
MSME	Micro Small and Medium Enterprises
MVP	Minimum Viable Product
NBIA	The National Business Incubation Association
TEF	Tony Elumelu Foundation
USD	United States Dollar

ABSTRACT

The study sought to investigate the influence accelerator programs have had on the growth of MSMEs supported by Tony Elumelu Entrepreneurship Program by carrying out an in-depth study of the specific businesses that have benefited from the program. The study was anchored on Social Networks Theory, Innovation Theory and Risk Theory of Profit. The study adopted the descriptive longitudinal survey. The population was the Kenyan MSMEs that have gone through the program between the year 2015 and 2017. The Fischer' formula for finite population was used to determine the sample size from a total of 297 SMEs, to give a sample size of 72 businesses. A questionnaire was used to collect data. The data was analysed using descriptive and inferential statistics and presented in tables, bar charts and bar graphs. The study established that all the enterprises had received seed capital from the TEF. A majority of them also sourced additional capital from other sources such as banks and table banking groups. Capital was found to have a positive and significant relationship with growth of enterprises. The mentorship programme helped the beneficiaries make better decisions for their business and develop new ideas and innovative solutions/strategies for their business which had a positive association between mentorship of entrepreneurs and growth of growth of their business. The study also found out that the TEF program offered various forms of training which equipped the entrepreneurs with relevant skills to help them manage their business which influenced the growth of the beneficiaries' businesses. It was also found that networking enhanced the beneficiaries' talents, knowledge, and helped them gain new ideas, and get business referrals which contributed positively to the growth of the business. The study concludes that capital, mentorship program, business training and networking have a positive and significant influence on growth of TEF beneficiaries' businesses. The study recommends need for increased capital funding from TEF foundation for business start-ups and for purposes of expanding the already established businesses as this has been seen to have an impact on the growth of the businesses. There is need to expand the training of new entrepreneurs in order to equip them with relevant skills that would enable them manage their businesses better, and steer their businesses in the right direction.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Study of entrepreneurship shows that failure rate of businesses is quite high and nearly 50% of businesses close down in the first two years of establishment. 2.2 Million MSMEs closed business between 2011 and 2016 mostly due to difficulties in access to operating funds due to increased operating expenses and deteriorating income and businesses losses. (KNBS MSME Survey, 2016). This shows that the establishment of startups is an uncertain venture where entrepreneurs strive to construct new businesses by addressing information irregularities in markets that are sometimes yet to be built, resulting in high failure rates of new businesses. Incubation and acceleration programs seek to enhance the success rate of enterprises by providing entrepreneurs with resources while lowering the risk of the business (Clarysse, Wright & Hove, 2015; Hoffman & Radojevich-Kelly, 2012).

This study seeks to establish the influence accelerator programs have on the growth of business and will be informed by three entrepreneurship theories; i) The Social Networks Theory that elaborates the connection and relationship in a social structure, an important facet of the accelerators and business incubation models that offers ventures opportunities for networking with venture capitalists and other investors as well as peer networks; ii) Schumpeter's Innovation Theory that states that every entrepreneur must innovate for competitive advantage, which is seen in accelerators programs' key focus on competitiveness in selection of business ideas and start-ups with high growth potential; and

iii) Risk theory of profit that regards profit as the reward to an entrepreneur for taking up the non-insurable risks and uncertainties associated with set up of a new venture.

This study will focus on Kenyan Small and Medium enterprises that have received funding, mentorship and general business support from accelerator programs and incubators narrowing down on the enterprises that have benefitted from Tony Elumelu Foundation (TEF), a philanthropic arm of Heirs Holdings, based in Nigeria that has been recognized as a 21st Century catalytic philanthropic organization whose aim is to promote entrepreneurship throughout Africa with a key focus on young emerging entrepreneurs.

1.1.1 Accelerator Programs

Even though the terms 'Accelerator' and 'Incubator' are in some instances used in place of the other, Miller and Bound, (2011) suggests that accelerators can be differentiated from incubators using the five distinct characteristics; an open and rigorous application process, investment, working with small cohorts instead of sole founders, a short duration of scheduled events and cohorts' mentorship and training instead of individual businesses and are culminated by a demo event that gives entrepreneurs access to investors(Cohen, 2013 and Borella,2012). Accelerators further provide the resources that reduce costs of founding a venture and the initial funding needed to kick start ventures or achieve the initial milestones (Global Accelerator Network, 2016).

An analysis of the features common to both incubators and accelerators are often in the nature, intensity and period of a feature and not in its existence in the program. Accelerators are often aimed at moving startups to the next stage, whilst incubator services focus on migrating enterprises towards self-sufficient, established ventures. Incubators also, rarely

invest directly in the enterprises and instead act as a bridge between investors and businesses, while accelerators will usually offer finance with an expectation of equity stake in the venture's projected profits. (The National Business Incubation Association, NBIA).

Accelerators can be categorized as ecosystem builders, investors and matchmakers depending on their strategic focus and organizational design. (Clarysse et, al.,2015), Dempwolf et al. (2014) further proposes categories that are based on the firm's business model and value proposition in which three groups of startup assistance organizations arise; i) Accelerators ii) Proof of Concept Centres and iii) Incubators and Venture development organizations. Accelerators are additionally categorized into university accelerators, social accelerators, corporate accelerators and innovation accelerators.

The pioneer accelerator "Y combinator" was established by Paul Graham, in Boston and Silicon Valley in 2005 with the idea to transform new ventures ecosystems. Tech Stars was the second accelerator program created in 2007 in Boulder by Brad Feld and David Cohen, whose aim was to stimulate the development of their region while giving hands on support to ventures. These two accelerators inspired thousands of similar programs worldwide ultimately leading to a surge in early-stage investments and increased the interest of policy makers in promotion of local development by way of creation of new ventures (Clarysse et al., 2015).

Early programs accessed funding mostly from venture capitalists looking to create deal-flow. Even though seed funding has remained a recurring feature, newer programs now having selection criteria model of funding and measures of determining success as a result of diverse missions (Van Hove, Clarysse & Wright, 2015). There are exceptions in

corporate accelerators where some organizations may opt to support startups for other strategic reasons such as corporate social responsibility.

1.1.2 Concept of Business Growth

Growth is described as a variation in size within a specific period (Dobbs and Hamilton, 2007). A venture's growth is due to increase in demand for products and services (Janssen, 2009). Growth first results in advancement in sales followed by investments in more factors of production to match the increase in demand. Achtenhagen et al. (2010) fronted growth indicators as: sales growth, increase in employees, profit, assets and growth in the value of the venture and internal development. Brush et al (2009) further describe growth as geographical extension, growth in the venture's outlets and portfolio of products/services, acquisition of novel markets and customers, fusions and acquisitions.

Mochado (2016) concludes that a firm's activities or characteristics may prompt growth. These included age, size and location of enterprise; learning and experience; firms' mission; innovating product development; consultants and specialists; management team capabilities; human resources and networks, marketing plans; joint ventures with suppliers; exports and globalization; business types; fusions, acquisitions, joint ventures and strategic alliances. In addition, various features such as demand and supply conditions, sector and ease of entry restrictions; investors and venture capitalists; universities and methods of technological transfer, importance of ties with family and stakeholders, alliances and networks, favorable policies, national and local subsidies have been seen to positively impact the growth of a business.

Delmar et al. (2003) identifies seven forms of growth; i) super absolute growth, where ventures get total growth in sales and employment, ii) good growth in sales but undesirable growth in employment iii) growth through acquisition, positive growth in sales and total employment but negative in organic employment iv) super relative growth with great development in super relative terms v) negative in absolute sales but relatively positive in average vi)growth in employment and negative in sales vii) high growth where firms reveal differences in standards of growth.

Brush et al. (2009) fronted a four- type growth trajectory; a) Firms with fast growth exceeding the expectations of the business wherein firms manage to bring the product or service to the market at the exact time with exceptional prices. b) Firms with incremental growth. Ventures that controlled their growth. c) Ventures that had growth that was followed by stagnation as a result of internal and or external effects. d) Ventures with slowed growth followed by stability and subsequent profits decline.

1.1.3   Micro Small and Medium Enterprises in Kenya

Micro Small and Medium enterprises (MSMEs) definition is based on essential characteristics; insignificant market share; individually run, un-defined management structure and not large enough to access the capital market (Paliwoda, 1993). In Kenya, the MSME Baseline Survey of (1999) defines small enterprises as ventures that employ 11 to 50 workers. The MSMEs are categorized into micro consisting of 1 to 9 employees; small consisting of 10 to 49 employees and medium consisting of 50 to 99 employees sized establishments. (KNBS MSME Survey, 2016)

MSMEs play a key role in Kenya's economic advancement as noted in their contribution to the GDP. As at 2015, the value of the MSMEs contribution to the GDP was approximately Ksh.3.3Billion against a national overall output of Ksh.9.9Billion a 33.8 per cent contribution. The MSMEs were further assessed to have contributed Ksh.1.7Billion compared to Kes.5.6 Billion for the whole economy. (KNBS, 2016). The MSMEs offer income generating opportunities through jobs and wealth creation even though majority of them are informal.

The contribution of small enterprises of generation of income, alleviation of poverty and economic development is widely acknowledged (Wasihun & Paul, 2010). They are a source of employment and affordable goods/services. MSME sector in Kenya has resulted in increased production of goods/services and the growth in the skilled and semi-skilled workforce that is projected to be a foundation for industrial growth in Kenya. (KNBS MSME Survey, 2016). With an enabling environment from the policy makers and investors, MSMEs have the potential to enhance innovation and research that is critical for structural change and global competitiveness.

Kenya's MSME ecosystem players agreed on the significance of MSMEs to the economy and bring out the challenges faced by MSMEs as; challenges in access to finance and markets, poor infrastructure, unsupportive policies, challenges in capacity and asymmetry in information. (Viffa Consult, 2019) Despite the critical role played by MSME's in the Kenyan economy, enterprises often fail to operate optimally as a result of a myriad of other challenges such as; inadequate finance, inadequate managerial skills and training, inadequate access to credit, fast changes in technology and evolving laws and regulation.

Despite the significance of MSMEs, critical gaps still exist in offering service to the diverse segments of MSMEs, especially for ventures that are in between- too large for microfinance and too small to access private equity. A World Bank Enterprise Survey done in 2013 shows that approximately 68% of Kenyan businesses cite difficulties in accessing finance for their business as a major challenge for their business.

1.1.4 Tony Elumelu Foundation

The scope of this study covers the impact Tony Elumelu Foundation (TEF) has had on startups in Kenya as a representative of accelerators in Kenya. TEF is the philanthropic arm of Heirs Holdings, based in Nigeria. The program is a USD 100M initiative that aims to recognize and empower 10,000 African entrepreneurs from 2015 to 2025 as well as create one million jobs and add USD 10 billion in terms of income to Africa's revenue (Bertha Centre, 2017).

Every year, 1,000 unique entrepreneurs from across Africa are selected and taken through an intense 12-week business training. The program is designed to train, fund, mentor and provide networking opportunities for African enterprises. The program includes a twelve weeks start-up enterprise toolkit training program, access to an online library of resources as well as a learning platform and meet up events for local cohorts, and a two-day TEF entrepreneurship forum is Lagos.

The total number of African entrepreneurs empowered by TEF as at 2019 were 7,520 and out of the selected entrepreneurs 480 are Kenyan entrepreneurs that the study aims to focus on. The top ten key sectors that the funded enterprises fall in include; Agriculture, ICT, Education and Training, Manufacturing, Healthcare, Fashion, Commerce/Retail, Waste

Management, Media and Entertainment and consulting. The program invests a non-refundable seed capital of USD 5,000 per entrepreneur (Tony Elumelu Foundation, 2020).

1.2 Research Problem

Studies show that accelerator programs have attempted to bridge the skills gaps and address the financial challenges faced by businesses through interventions such as injection of seed capital to address the initial funding requirements for startups or working capital for growth stage enterprises, business mentorship and training to address the business skills as well as access to peer and investor networks that provide market opportunities and investment prospects for the ventures. A study conducted by Ogutu and Kihonge (2013) recognizes that a robust relationship between the sum of incubators found in a country and economic development of the country exists. Kibuchi, (2014), who studied a Kenyan based Incubator (Ihub) noted that that incubators provide critical networks by attracting venture capitalists as well as angel investors to the space who in turn have put in financial investment in the enterprises which is instrumental for growth of enterprises.

Tony Elumelu Foundation adopts a catalytic philanthropy, that uses a combination of traditional tools such as provision of grants, financial donations and business expertise, to inculcate long term self-sustenance of entire communities. Tony Elumelu foundation also fits the criteria for accelerator programs in its incorporation of the five characteristics fronted by Miller and Bound (2011), involving a highly competitive application process that is carried out every year; provision of investment through a non-refundable seed capital; a short duration of scheduled events and intense training and mentorship of startups cohorts that takes place in a span of three months following selection as well as local alumni networks in various African countries. TEF has so far taken up 480 Kenyan enterprises in

different sectors into the program since inception of the program in 2015 to 2019 but no quantifiable data exists on the impact the program has had on growth of businesses that have gone through the program in Kenya. From available resources, it is also not clear whether there is follow up of the enterprises that go through the program to determine their status in terms of growth, especially due the funding model-nonrefundable grants, that the program incorporates as opposed to repayable capital seen in many accelerator programs.

Various studies have been done to determine the influence of accelerator programs on the ventures they support. Roberts et al. (2016) examined the performance of fifteen ventures taken up by a US based accelerator program-Village Capital program and compared this against ventures that had applied in the program and were not taken up and concluded that accelerators impacted investment and revenue growth but had no effect on growth in employees. The participants perceived provision of networking opportunities and access to funding as the most useful types of support. Yu (2016) studied data of 900 companies that took part in 13 accelerators and matched this to 900 non-accelerated companies and found that accelerators help demystify uncertainty around company quality faster allowing prompt funding and exit decisions.

A study carried out by Chirchieti (2016) with a focus on both the Incubation hubs and ventures supported by incubation hubs in Kenya reveals that there is a disconnect between the expected benefits of the hubs and the actual impact of the hubs on the businesses they support. Another study carried out by Wanyoko (2013) notes that low success rate in application of the skills learnt in the accelerator programs is mostly due to lack of program follow up, but incubator programs have aided the entrepreneurs who have graduated from the programs to access capital for business growth through links to sources of capital such

as micro finance institutions (MFI). Review of research done on Kenyan accelerators and Incubators reveal that while studies have been carried out on major incubation hubs, very little research has been carried out specifically on accelerator programs that have taken up businesses in Kenya.

Furthermore, the studies approach has mostly been inclined on the incubator perspective and does not include quantitative data comparatively to determine growth impact. Using Tony Elumelu as a representative of accelerator programs, the study will seek to answer the question 'Can the impact of accelerator programs on MSMEs be measured?'

1.3 Research Objective

The study's objective was to investigate the influence accelerator programs have had on the growth of MSMEs supported by Tony Elumelu Foundation by carrying out an in-depth study of the specific businesses that have benefited from the program.

1.4 Value of the Study

The study will add to existing knowledge on the influence of accelerator programs on MSMEs in Kenya and contribute to the academic conversation on whether accelerators have the ability to accelerate economic growth and whether this growth can or should be tracked as part of the program.

The Government of Kenya has been in the fore front of enhancing the entrepreneurial climate in Kenya through resources support and streamlining the ease of doing business in Kenya through various entrepreneurial programs. The data derived from the research will therefore provide insight to the country's policy makers on the viability of such accelerator programs in the country and beyond.

The study's findings will further be a source of insight to the already established accelerators and incubators in Kenya and beyond in a bid to inform their business model and enhance their success rate and further elicit debate on whether the there is a direct impact on the growth of ventures derived using the case of study of Tony Elumelu Foundation as a representative of the accelerator programs in Kenya.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers an evaluation of theories and concepts that relate to the relationship between accelerator programs with a focus on Tony Elumelu Foundation and growth of MSMEs in Kenya.

2.2 Theoretical Framework

The theoretical framework of the study covers three main theories; Social Networks Theory, Innovation Theory and Risk Theory of Profit.

2.2.1 Social Network Theory

Three major lines of research played a critical role in the Social Network Theory's development; the sociometric analysis tradition; the interpersonal relations tradition that focus on creation of cliques amongst a group of people and an anthropology tradition that studies the structure of community relations in less developed societies. (Scott, 1991). Sociologists later on progressed the study of the social networks by merging the proposed theoretical traditions in order to grasp both formal and informal social relations. Researchers further proposed block modeling and multidimensional scaling as a way of progressing the social networks techniques (Wasserman & Fraust, 1994).

Travers and Milgram (1969) developed the 'Six Degrees' experiment whose intention was to study the lengths between two individuals and the chance that randomly picked persons knowing one another and the number of acquaintances that could connect them in a chain

of people. This was also known as the Small World Phenomenon concluded that people are interjoined through six degrees of separation or less. Schnettler (2009) recognizes three dimension of the small world theory as structural dimensions, process dimensions, and psychological dimensions and further observes that only a small number of individuals in a network are needed to make small worlds from large networks, accomplished through shortcuts created within the networks by building bridges to weak ties.

Connections within a network can either be weak or strong ties and lack of weak ties may result in isolation from information about problems requiring solutions and opportunities. (Borgatti & Halgin, 2011). Weak ties act as bridges and channels through which information, knowledge and value is passed (Burt, 1992). However, not all weak ties are of value and those that link strong tie networks are valuable (Granovetter, 1973). Rost (2010) contests the attribution of weak ties to innovation, but agrees that weak ties are not valued in the absence of strong ties, even though strong ties can help weak ties' value be realized. Coser (1975) further argues that people with strong ties but no weak ties only interact with similar people.

Social networks provide a good source of social capital that is described by Coleman (1988) as a less tangible value in comparison to human capital and physical capital. Lin (1999) argues that social capital is the speculative investments into social relations with anticipated yields that is derived from resources entrenched in social networks. Orlowski and Wicker (2015) notes that social capital is intangible with no agreed upon exchange value, hence difficult to define monetary value. Social capital is inherent in relationships and thus it is not measurable or owned by a single actor (Audretsh et al., 2011). Alder and Kwon (2002) argue that critical benefits of social capital are good quality information that

is relevant and fresh, power influence and control and concur that social capital is convertible to other kinds of capital such as utilizing an individual's standing in a social network to get economic capital and that other forms of capital can be substituted with or complemented by social capital.

Social networks research has been criticized for concentrating of the structure while excluding the content of the ties whose meaning include the type of tie and what runs through ties. The literature on networks further fails to theorize the dissimilarities in various types of ties even though the exchange in a friendship network varies from the advice in another network. (Borgatti et al., 2009). Borgatti et al. (2009) further proposes that the lack of emphasis on the content of ties is due to network research leaning on information flow through different kinds of ties and as fronted by Coleman (1990) that one type of tie may be appropriate for varied uses such as friendship ties may be used to meet business needs.

2.2.2   Innovation Theory

Joseph Schumpeter was the first economist to attempt analysis of innovation in the first of half of the twentieth century and brought out the phases of innovation as invention (first occurrence of an idea), innovation (initial commercialization invention) and diffusion (transmission of the technology) (Greenacre et al., 2012). His early work's emphasis is on the significance of the individual entrepreneur in his examination of innovation drivers while work done later stresses on the role of large companies with resources to carry out research and development on new technologies.

Schumpeter (1949), considers entrepreneurship as the catalytic agent that disrupts the still cyclic flow of the economy, initiates and holds the development progression. He considers innovation as a critical driver of competitiveness by creating "creative destruction" and describes innovation as the driver of economic development and has five types; a) Introduction of a new product/new variation of existing product. b) Use of new methods of products or sales of a product/ introduction of new methods of production/new ways of commercially distributing products c) Entry into a new market d) Acquirement of new sources of raw materials supply/semi-finished goods e) Novel industry structure (Sledzik, 2013).

In the 1950s and 1960s research on innovation included focus on ways to stimulate innovation in firms through research and development departments and explored the micro-economic importance of innovation. Solow (1957) assessed that the biggest contributor to growth arose from technical change and not from increase in capital productivity or labour. Nelson (1959) and Arrow (1962) in their study of whether investments levels on research and development were enough to meet national economic needs concluded that social returns of research and development are more that the returns from individual firms.

The theory was further enhanced by three approaches; induced innovation, evolutionary approaches and path dependent models (Ruttan, 2001). The induced innovation emphasizes that technical change is majorly driven by changes in relative prices; while the evolutionary and path dependency approaches emphasis on the significance of previous decisions and their possibility of hindering current innovation. Advances in the innovation theory have progresses further to a fully systemic, dynamic, non-linear process that includes a full range

of various interacting actors while emphasizing the flow of knowledge between actors (Greenacre et al., 2012).

Critics however argue that the focus on a one direction advancement within the phases of innovation fail to consider feedback, interactions and networks (Nemet, 2007). Invention is more stimulated by demand for products and services than advances in knowledge and thus the direction and the rate of innovation is driven by economic factors. Nemet (2007) Critics of the demand-pull state that incremental change in technology is influenced by demand more than disruptive change hence this fails to explain the most significant innovations. The technology pull and demand pull have further been criticized for being too simplistic but current theoretical lines have accepted the significance of both approaches (Nemet, 2007).

2.2.3 Risk Theory of Profit

The risk theory of profit can be traced back to Frederick Barnard Hawley (1843-1929) who proposed that entrepreneurs get profit as the reward to offer the other factors of production relief from risks in a competitive environment. Hawley's central principle was that profits would not arise in a competitive market where future events are not fully foreseeable, because all payments for factors services would be paid for using prior fixed prices, while taking into consideration the productivity changes during the period of the contract. Prices and costs would come together and there would be no residual income (Boianovsky, 2008). Hawley notes that the entrepreneur is the essential active production element and profit is the remaining, non-contractual income with the quantity only determinable after sale of the output.

Knight Franks built up on Hawley's theory of profit by first criticizing Hawley for overlooking the differentiation between risk (known) and uncertainty (unknown) and disregarding the fact that risk can be insured. However, Hawley is noted to use risk and uncertainty interchangeably but paid attention to implications of insurance. The act of insurance implies that the entrepreneur transmits to the insurers an equivalent part of the anticipated risks and not that risk or its reward have been done away with. Knight (1921) in his book Uncertainty and Profit notes that the profit made by an entrepreneur is the reward of bearing non-insurable risks and uncertainties and further categorizes the risks into a) Insurable risks- risks that can be measured and their probability can be estimated and insured against b) Non-insurable risks whose statistical probability of occurrence is not determinable. The more risk in the type of enterprise, the higher the profits received by the owner of the venture. Knight groups future outcomes into three; a) Outcomes where mathematical probability applies (risky); b) Classifiable outcomes whose anticipated outcome is determinable with certainty (risky); c) Outcomes that cannot be classified and the likelihood of occurrence not predictable using historical data (not certain).

Critics have however pointed out the lack of clarity over what uncertainty means leading to limitations of the theory. Hicks (1931) further notes that the Knight theory of Profit does not offer explanation of the type, extent or causes of profit and notes that Knight describes a static world where entrepreneurial profits are constant. Knight (1942) therefore coins a second theory of profit and notes that among the entrepreneurial functions, bearing uncertainty is least important. The important function of entrepreneurship is the innovation while introducing innovation and adaptation to another entrepreneurs' innovation. The risk theory has further been criticized on grounds that profits do not occur due to risk bearing

capacity but because of the risk reducing capability of entrepreneurs and volume of profits does not entirely depend on risk taking alone but on a variety of other factors and in some instances, profits are seen to be more in industries that have lower risks.

2.3 Interventions of Accelerator Programs

Clarysse et al. (2015) and Cohen and Hochberg (2014) fronts various aspects that form the "acceleration package" that include; limited duration(usually three months),total focus of the founder in creating a minimum viable product (MVP) on the selected idea; an educational suite covering a wide array of topics; a program of events and workshops; structured mentorship; co-location in a common office space; investor day/networking event for potential investors, customers and business owners to interact as well as assess startup pitches. Accelerator programs are often packaged to heighten market interactions with an aim of enabling participants adapt and learn quickly through various interventions.

One of the key components of the accelerator intervention is a well-structured regular mentorship program aimed to provide guidance on refinement of the business, provision of networking opportunities as well as building of stakeholders' trust who could become subsequent investors in the business after the conclusion of the program. Mentors are often qualified entrepreneurs who are thoroughly evaluated prior to inclusion into the accelerator programs. Some mentors may be ad hoc with long term commitments with the accelerator companies while others invest in the businesses they mentor eventually Akila (2014).

The culmination of the program is usually receipt of funding by the accelerated businesses in form of seed capital in form of non-refundable grants or investments in exchange of a percentage equity often an average of 6% with a range of 5%-8% (Cohen & Hochberg,

2014). Accelerators often offer follow up investment after the culmination of the program in form of staged investments or further capital fusion following graduation (Akila, 2014).

Accelerator programs create a post-program support which involves public relations opportunities; investors connections; participation in boards; human resources support; regional meet ups and online groups, and work space (Akila, 2014). Accelerator programs further maintain a database of graduates and alumni who are often used in selecting or marketing to potential progamme applicants. This is in addition to periodic events for the program's alumni who are invited to share their stories to other program beneficiaries.

2.4 Measures of Business Growth

According to Achtenhagen et al. (2010), the main indexes used to measure growth are differences in sales capacity and then variation in employees' number. However, there are instances where businesses may increase sales without necessarily growing the employee's numbers, Delmar & Wiklund, (2008): Rauch and Rijskik (2013) while the number of employees may increase without concurrently increasing sales. In particular situations, increase in sales is as a result of investment in technology and equipment as opposed to a direct contribution by increase in employees. (Chandler et al., 2009)

Sales variations are also as a result of other growth aspects such as improved processes' efficiency. (Davidsson et al., 2010). Growth may impact a venture's size if there is subsequent good performance. While performance may be measured using growth, growth may not be a measure of success as is may not result in increase in profitability and sales do not imply increase in profitability. Growth will result in profitability if there is reduction

in unit costs and if a business attains a stronger position in the market. (Mckelvie & Wiklund, 2010).

In measuring growth, several measurements indicators have been proposed as control variables such as the addition of previous growth. (Delmar & Wiklund, 2008). The omission of new ventures up to one year from calculations of growth, the utilization of measurements intervals due to non-linear growth, and the use of both secondary and primary data. The complexity of growth may also be associated with the unit of analysis as some of the enterprises may opt to change their business activities instead of growing, therefore growth measurements may result in differing outcomes due to the indexes used. (Davidsson et al., 2010)

2.5 Accelerator Programmes and Business Growth

Accelerators provide resources that cut down on the costs of founding a business and the initial investment a team requires to kick start a venture or achieve the initial milestones (Global Accelerator Network, 2016). Despite the popularity of accelerator programs and business incubators in the recent past, debate exists amongst researchers on whether there is sustainable value derived from business incubators and accelerators and whether the value is measurable and by what metrics.

A study carried out by Argidius Foundation in 2015 whose objective was to profile various organizations that had the potential to catalyze and accelerate SME development and growth sampled 18 firms out of 109 firms in Kenya. The study concluded that the main focus of the organizations was on agricultural and technological sectors in particular software and mobile application.

The study noted that there is a bias of organizations in terms of location as most were concentrated in Nairobi. (Argidius Foundation, 2015). The noted gaps in the research show that the study was conducted via desktop research and did not include a portfolio of businesses accelerated by the various organization. Furthermore, the study's focus was mainly on organizations offering the services as opposed to the impact on the actual beneficiaries of the program. (Argidius Foundation, 2015).

A study carried out on fifteen technological startups based in Nairobi with the intention of establishing the impact investment from angel investors has on technology startups in Kenya noted that the impact on the businesses was in form of higher chances of survival from the businesses derived from the investment funds and acquisition of fundraising skillset that enabled the startups access additional funding. This was in addition to networking events including competition for second level financing as well as grants; development of organizational structures; marketing plans, leadership skills; products and modifications (Karema, 2015). The findings of the study however did not include quantifiable growth of the enterprises in terms of revenue, customer growth or employee growth.

Incubator programs that have sometimes been used interchangeably with accelerator programs have been noted to enable business owners' access additional funding for their business from angel investors and venture capitalists. This is further to offering of space, advise, mentorship and internet connectivity as well as endorsements of entrepreneurs in loan applications to financial institutions (Kibuchi, 2014).

The focus of the study was however noted to be on the incubator, iHub, and not on the beneficiaries of the program. The method used was also qualitative with no backing on ventures' data which may have resulted in a bias from the respondents (staff of iHub).

According to Tilana (2015), business incubators and accelerators are critical in accelerating the establishment of successful ventures despite the lack of agreement on the benefits with little evidence on the incubators efficacy in promoting jobs and wealth creation. Tilana (2015) carried out a study on South African incubates with intention of establishing the impact business incubation has on the entrepreneurial mindset and self-efficacy that plays a key role in recognition of opportunities and growth of new ventures. The study was noted to have limitations in methodology in that ideally a longitudinal study approach should have been used to measure changes over time-frame as instead of the cross-sectional study that was used. The study was further conducted on a limited sample size using a purposive sample leading to doubt in the ability to generalize the conclusions.

I-DEV International and Aspen Network of Development Entrepreneurs (ANDE) and Agora Partnerships, assessed the value created by incubators and accelerators. One of the study's aim was to evaluate the measurable value created by the incubator and accelerator programs. The study found that the average Compound Annual Growth Rate (CAGR) across all the 36 early stage enterprises grew at 86% over the two years after participation from USD 125,000 in year 0 to USD 197,000 in Year 1 and USD 434,000 in Year 2. Only 2 out the 36 registered negative growth. Analysis of physical growth of the 36 businesses showed that the average number of employees was 20% in Year 0, 92% in Year 1 and 61% in Year 2.

Among the skills acquired in the programs, access to mentors and entrepreneurs, development of business plans and access to peer mentorship were rated as the most useful benefits derived from the programs. The average revenue across the growth stage enterprises grew by 14% in the two years from USD.1.9M in year 0 to USD.2.2M in year 1 and USD.2.5M in year 2. The average growth of employees was 7% in Year 0, 16% in Year 1 and 18% in Year 2. The combination of revenue growth and physical growth indicates sustainable growth in the enterprises taking part in the survey. (I-DEV, 2014)

Despite the popularity of accelerator programs, theoretical and empirical questions still exist of the effectiveness of the programs in accelerating growth. Hallen, et, al. (2014) sought to establish why accelerator programs may or may not accelerate development of new ventures using an impact analysis based on the speed with which the ventures attained early success milestones with a focus on time taken to raise first round of funding and period taken to achieve customer traction using web traffic. They concluded that some accelerators accelerate more than others and that acceleration is not achieved by all accelerators and noted that the participants also received customer traction, extensive learning and networking. However, customer traction determinant using web traffic may not be an accurate indicator of impact as web traffic can be as a result of various factors including marketing strategies and budget and expertise in search engine optimization.

Study findings of top accelerator programs show that taking part in a top accelerator program initially enhances the promptness of accessing follow up funding from venture capital investors and speeds up exit from business either through acquisition of through quitting the business. In the long run, participation in top accelerators relative to top angel group was noted to decrease the timing of follow up funding from venture capitalists.

(Smith et, al.2013). In the study 619 startups and their founders that went through top accelerator programs in the USA, Y Combinator and Tech Stars between 2005 and 2011were sampled and matched with a cohort that instead received formal funding from angel investor groups. The study however does not focus on a larger sample of accelerator programs but focuses on two well know and longest established accelerators and therefore concludes that the top accelerators influences the course and outcomes of the entrepreneurs and startups whom they work with.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers the research methodology used in carrying out the study and methods used in collection of data and how the data was analyzed and presented

3.2 Research Design

The research design used in the study was descriptive longitudinal survey targeting Kenyan enterprises that have gone through the program in a period of three years between 2015 and 2017 with a focus on the progression of growth from 2015 to 2019. The survey measured the SMEs growth using four variables; change in number of employees, change in turnovers or sales; change in profitability; change in customer base and ease of access to funding after completion of the program. The choice of variables is backed by Achtenhagen et al. (2010), proposal that the main indexes used to measure growth are variations in sales volumes and the variation in employees and Hallen et al. (2014), who notes that top programs speed up the time taken to achieve critical milestones for SMEs such as the time taken to raise capital, exit through acquisition and increase in the business' customer base.

3.3 Population of the Study

The targeted population of the study was the Kenyan SMEs that have gone through the program between the year 2015 and 2017. In the year 2015, 2016, and 2017, 167, 75 and 55 Kenyan entrepreneurs were selected respectively to go through the program, totaling to 297 Kenyan entrepreneurs. www.tonyelumelufoudnation.org. The choice of this period is

further guided by Delmar and Wiklund (2008), who proposes the omission of new ventures (up to one year) from measurements of growth and the employment of measurements intervals as a result of non-linear growth as well the combination of both secondary and primary data.

3.4 Sample Design

The sample of the study consisted of a portion of the 297 SMEs that's have gone through the program between the year 2015 and 2017 totaling to 72 businesses equivalent to 24.2% of the population. The determination of the sample size was guided by the finite population of 297 and has been arrived at using the Fischer' formula for finite population, as shown below;

n= $\underline{Z^2 \ P \ (1- \ P^2)}$

$\qquad$ Z^2

Where; n= Sample Size

$\qquad$ Z= Z-score

$\qquad$ P= Population Proportion

$\qquad$ d= Confidence interval

The sample size was selected the 20 sectors that the selected businesses fall under, derived from the annual selection list extracted from the program's website; www.tonyelumelufoundation.org. The sample size for each sector was equivalent to 24.2% of the total population for the three years per sector.

3.5 Data Collection Instrument

The data collection instrument used to gather data from the respondents was a questionnaire administered via Google Forms. The questionnaire was segmented into three; Section A comprised of demographic information; Section B covered accelerator programs; Section C covered measures of growth of the enterprise.

3.6 Data Analysis and Data Presentation

The questionnaire was semi structured and used qualitative and quantitative analysis techniques. Qualitative data was analyzed by categorizing thematic content through content analysis while quantitative analysis was carried out through multiple regression analysis that sought to establish the relationship between the dependent variable (Growth of MSMES) and the independent variables (Accelerator Program interventions). The Accelerator Program interventions were presented/ measured by; capital funding, Mentorship, business training, and networking using the model below;

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \alpha,$

Where: Y= Growth of enterprise;

β_0= The regression coefficient;

X_1=Capital funding;

X_2= Mentorship

X_3= Training;

X_4=Networking

α = Error term

The analyzed data was presented in tables, bar charts and bar graphs.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter entails data presentation, analysis and interpretation of findings in order to address the study objectives. The study investigated the influence accelerator programs have on the growth of MSMEs supported by Tony Elumelu Entrepreneurship Program in Kenya. The data analysis was by descriptive and inferential statistics and presented in tables, graphs and charts.

4.2 Response Rate

The response rate helps to determine whether the number of questionnaires returned (responses) were adequate for data analysis and interpretation of results to continue as shown in Table 4.1.

Table 4.1: Response Rate

Response rate	Frequency	Percentage
Returned Questionnaires	63	87.5
Unreturned Questionnaires	9	12.5
Total	**72**	**100.0**

As evident from Table 4.1 the sample size was 72 MSMEs that have gone through the TEF program, whereby 63 questionnaires were successfully returned, and considered for data analysis, which translates to a response rate of 87.5%. This was considered appropriate and good enough for the data analysis to continue to answer the study objectives. Babbie and

Earl (2009) noted that a response rate of 50% is satisfactory enough for data analysis while a response rate of 70% and above is deemed good.

4.3 Background Information

This section captures the businesses' background information and highlights the relevant features of the businesses that formed part in the study. This information include: year the business was founded, County the business is located, the sector the business operates in, the number of employees in the enterprise, duration the business has been in operation, and the legal status of the firm.

4.3.1 Year the Business was Founded

This section outlays the distribution of respondents by the year the business was founded. The results are presented in Table 4.2 below.

Table 4.2: Year Business was Founded

Year	Frequency	Percent
2011	3	4.8
2013	9	14.3
2014	14	22.2
2015	17	27.0
2016	14	22.2
2017	6	9.5
Total	**63**	**100.0**

As evident from Table 4.2, 27% of the business were founded in 2015; 22.2% of the business were founded in both 2014 and 2016 respectively while 14.3% were founded in 2013. On the other hand, 9.5% of the business were founded in 2017 while 4.8% of the

businesses were founded in 2011. The study was interested in those MSMES that had gone
through the program between the year 2015 and 2017, in order to observe their growth over
a period of time.

4.3.2 County the Business Located

This section shows the distribution of the respondents per county where their businesses
are located as indicated in the table below.

Table 4.3: County the Business Located

County	Frequency	Percent
Bungoma	3	4.8
Kiambu	3	4.8
Nairobi	54	85.7
Nyanza	3	4.8
Total	**63**	**100.0**

As evident from Table 4.3, majority of the respondents (85.7%) revealed that their ventures
were located in Nairobi County. On the other hand, 4.3% indicated that their businesses
were located in Bungoma, Kiambu and Nyanza Counties. From the findings it can observed
that majority of the businesses were concentrated in Nairobi County. This could be because
Nairobi County as the Capital city enjoys better infrastructure (including technological
infrastructure), diverse customer base and skilled workforce which are essential to support
business growth.

4.3.3 Sectors in which the Business Operates

The respondents were expected to indicate the sector that best defines their business operations. The results are presented in Table 4.4 below.

Table 4.4: Sectors in which the Business Operates

Sector	Frequency	Percent
Agriculture	11	17.5
ICT	10	15.9
Education and Training	9	14.3
Manufacturing	9	14.3
Healthcare	2	3.2
Fashion	3	4.8
Commercial/retail	9	14.3
Waste Management	1	1.6
Media and Entertainment	1	1.6
Consulting	1	1.6
Logistics and Warehousing	1	1.6
Construction	3	4.8
Communication	1	1.6
Fintech (Financial sector)	1	1.6
Hospitality	1	1.6
Total	**63**	**100.0**

As shown on Table 4.4, 17.5% of the respondents indicated that their businesses were in Agriculture; 15.9% of the businesses were in ICT sector while 14.3% indicated that their businesses were in manufacturing, commercial/retail, and education and training sectors.

In addition, 4.8% of the respondents indicated that their businesses were in fashion and construction sectors. 3.2% indicated that they were in healthcare industry. Others were in waste management, media and entertainment, consulting, logistics & warehousing, and financial sector. From the findings, it can be seen that the beneficiaries who took part in the study had businesses in all the major sectors/ sub-sectors of the Kenyan economy. This means the findings are from analysis of varied businesses enterprises from different sectors, which improves the reliability of the results given. This also shows that the TEF program supported MSMEs in all sectors of the economy.

4.3.4 Number of Employees Employed by the Enterprise

The study enquired on the number of individuals employed by the enterprises. The findings are presented in Figure 4.1.
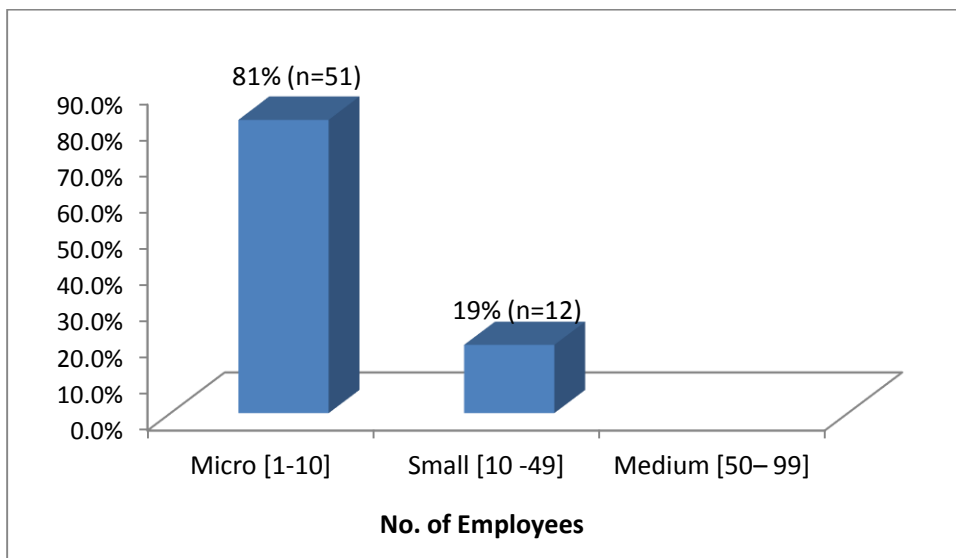
Figure 4.1: Number of Employees Employed by the Enterprise

As revealed by Figure 4.1 majority of the respondents (81%) responded that their businesses employed between 1-10 employees while 19% had between 11- 49 employees at the time of the research. From the findings it can be construed that the Kenyan enterprises that went through the TEF program were micro and small enterprises, with majority being micro enterprises. None of the businesses were in the medium category (business with employees between 50-99 employees).

4.3.5 Duration the Business Has Been in Operation

The respondents were required to show the duration the business had been in operation. The findings are presented in Figure 4.2.
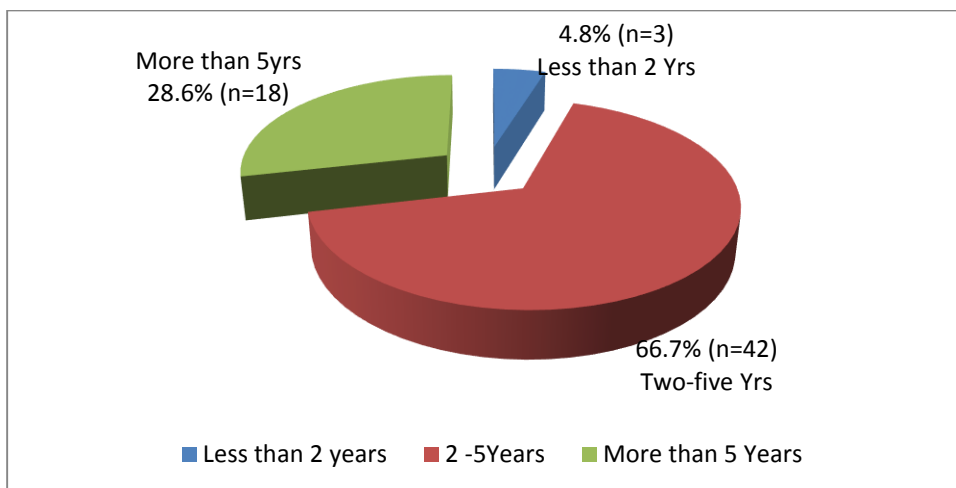
Figure 4.2: Duration the Business Has Been in Operation

The findings in Figure 4.2 show that 66.7% of the respondents' businesses have been in operation for 2-5 years. A further 28.6% indicated that they have been in operation for more than 5 years while 4.8% indicated that their businesses have been in operation for less than 2 years. It can be observed that majority of the businesses (95.3%) had been in operation for a duration of at least two years; with 66.7% of them being in operation for a

duration of more than 5 years. This demonstrates that majority of the businesses had been operational for a substantial duration and therefore majority of respondents could give reliable information on how the accelerator programs had influenced the growth of their businesses.

4.3.6 Legal Status of the Enterprise

The study enquired from the respondents to specify the legal status of their enterprise. The findings are presented in Table 4.5.

Table 4.5: Legal Status of the Enterprise

Status of the Enterprise	Frequency	Percent
Sole Proprietorship	21	33.3
Partnership	3	4.8
Limited Liability Company	39	61.9
Family owned	-	-
NGO	-	-
Total	**63**	**100.0**

As seen in Table 4.5, 61.9% of respondents' businesses were limited liability companies. 33.3% of the respondents revealed that their businesses were sole proprietorships while 4.8% were partnerships. As shown in the findings, majority of the businesses were limited liability companies and sole proprietorships. This could be because these two forms of enterprises are relatively easy to set up and run.

4.4 Perceptions on Tony Elumelu's Program Interventions

The study sought to identify the business accelerator programs or business support interventions the enterprises received from the TEF program. The respondents were thus asked to indicate the extent to which they received the following interventions from the TEF program. The study used a five-point (1 to 5) Likert scale and results were interpreted using mean scores whereby, a mean score of 1-2.5 would mean that the respondents indicated to a small extent; 2.6- 3.5 means moderate extent while 3.6-5.0 means the respondents agreed to a great extent. The findings are presented in Table 4.6.

Table 4.6: Interventions by TEF Program

Interventions	Mean	Std. Deviation
Capital funding	3.38	1.142
Mentorship	3.24	1.388
Business training	3.52	1.060
Networking	3.19	1.060

As shown in Table 4.6 the respondents received business training and capital funding from the TEF program to a moderate extent as shown by a mean score of 3.52 and 3.38 respectively. The respondents further received mentorship and networking support from the program to a moderate extent as shown by mean scores of 3.24 and 3.19 respectively on the Likert scale. From the findings it can be seen that TEF accelerator program interventions entailed capital funding, mentorship program, business training and networking.

4.4.1 Perception on Capital Funding Intervention

The study sought to determine the form of capital received from TEF program, other sources of capital for the enterprises, and the amount of capital received. The findings on form of capital received from TEF Program are as shown in the Table 4.7

Table 4.7: Form of Capital Received from TEF program

Form of Capital	Frequency	Percent
Seed Capital (non-refundable grants)	63	100.0
Debt Capital	-	-
Equity Financing	-	-
Total	**63**	**100.0**

The study results in Table 4.7 show that all the respondents (100%, n= 63) had received seed capital (non-refundable grants) from the TEF. This confirms that the TEF program offers non-refundable seed capital to entrepreneurs. Seed capital is one type of financing used in the formation of a startup or that is required for a startup to become an established business.

The respondents were further asked to show whether they had accessed additional funding from any other sources. The results are shown in Table 4.8.

Table 4.8: Additional Funding Accessed from Other Sources

Funding Sources	Frequency	Percent
Angel Investors/ Individual Investor(s)	24	38.1
Bank loans	6	9.5
Funds generated from the business	3	4.8
Table banking	6	9.5
None	24	38.1
Total	**63**	**100.0**

As revealed in Table 4.8, 38.1% of the respondents showed that they had received additional funding/ capital from Angel investors or individual investor(s), while 9.5% received additional funding from bank loans and table banking sources. A further 4.8% indicated that they had gotten additional capital from funds generated from the business while 38.1% indicated they had not accessed any additional funding. This shows that other than seed capital from TEF program, majority of the beneficiaries (61.9%) also sought additional funding/ capital from other sources, while only 38.1% did not seek or access additional funding. The major source of additional funding for most beneficiaries was angel investors or individual investors, while a few also accessed loans from banks and from table banking groups.

Out of the respondents who had accessed additional funding/ capital, the study enquired from them on the total amount of funding they had accessed from the other source(s) mentioned above. The findings are presented in Figure 4.3.
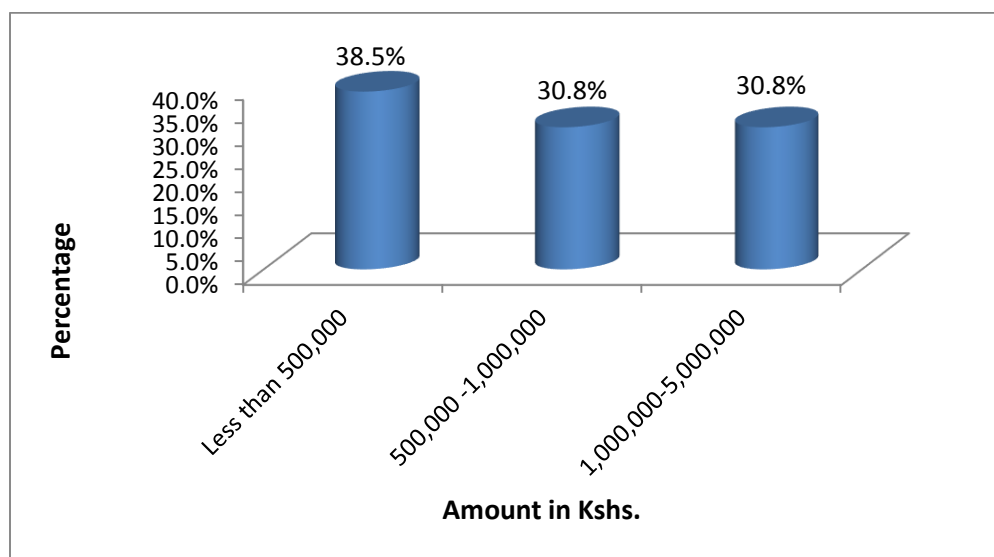
Figure 4.3: Total funding Accessed from the Source(s)

Figure 4.3 shows that 38.8% of the respondents reported that they had accessed additional funding of less than Ksh. 500,000. In addition, a similar percentage of respondents (30.8%) indicated that they had accessed additional funding amounting to Kshs. 500,000- 1,000,000 and Kshs. 1,000,000- 5,000,000. The findings reveal that majority of the respondents had accessed Kshs. 500,000 or more, in additional funding for their businesses over and above the seed capital they had received from TEF.

The study further asked the respondents to provide the extent to which they agree with statements on capital financing's impact on their businesses. The study employed a five-point (1 - 5) Likert scale whereby results were interpreted using mean scores and standard deviation. A mean score of 1-2.5 means that the respondents disagreed; mean scored of 2.6- 3.5 means the respondents were neutral (neither disagreed nor agreed) while 3.6-5.0 means the respondents agreed to the statement. The findings are presented in Table 4.9.

Table 4.9: Capital Financing Intervention

Statements	Mean	Std. Deviation
The program's seed capital was the most critical in the startup of my/our business.	4.35	0.799
The capital acquired has helped expand my/our business to other locations.	3.71	1.038
The acquired capital has helped my/our business develop more new products/services.	3.67	1.257
The acquired capital has helped improve business processes by acquiring appropriate technologies.	3.90	1.073
The acquired capital has enhanced stability and sustainability of my/our business.	3.71	1.038

As revealed in Table 4.9, the respondents were in agreement that program's seed capital was the most critical in the startup of their business (mean score = 4.35); and that the capital acquired had helped improve business processes by acquiring appropriate technologies (mean score =3.90). In addition, the respondents agreed that the acquired capital had helped their business develop more new products/services (mean score =3.67); and had helped them expand their business to other locations as well as enhance the stability and sustainability of their businesses, as shown by a mean score of 3.71 respectively. From the findings it can be seen that capital financing through the TEF program helped the beneficiaries not only to start-up businesses, but also to expand their business, acquire appropriate (modern) technologies and develop more new products/services.

4.4.2 Perceptions on Mentorship Intervention

The study sought to establish the impact of mentorship offered through the TEF program to the businesses. The respondents were therefore asked to show their level of agreement with statements on the mentorship intervention's impact on their business using a Likert scale to interpret the results using mean scores and standard deviation. A mean score of 1-2.5 means that the respondents disagreed; mean scored of 2.6- 3.5 means the respondents were neutral (neither disagreed nor agreed) while 3.6-5.0 means the respondents agreed to the statement. The findings are presented in Table 4.10 below.

Table 4.10: Mentorship Intervention

Statements	Mean	Std. Deviation
TEF mentorship programme has helped me gain substantial experience, to help manage my business better.	3.86	1.330
Mentorship has helped me to develop new ideas and innovative solutions for my/ our business	3.81	1.189
Mentorship has helped learn and employ new strategies to my business.	3.81	1.189
Sharing of experiences through the mentorship programme has helped me become more responsive to any changes in my business or business operating environment	3.90	1.160
Mentorship has improved my confidence to make better decisions for my business even when facing difficult business situations.	3.86	1.176

As shown in Table 4.10, the respondents were in agreement that TEF mentorship programme had helped them gain substantial experience, to help manage their business better (mean score = 3.86); and that sharing of experiences through the mentorship programme had helped them become more responsive to any changes in their business or in the business operating environment (mean score = 3.90). The respondents also agreed that the mentorship had improved their confidence to make better decisions for their business even when facing difficult business situations (mean score = 3.86). Moreover, the respondents agreed that the mentorship program had helped them to develop new ideas and innovative solutions, and enabled them learn and employ new strategies to their business, this is shown by a mean score of 3.81 respectively. The findings thus reveal that majority of the respondents agreed that they gained substantial experience, were able to manage the business better; employ new strategies, develop new ideas as well as innovative solutions for their business through the mentorship program.

4.4.3 Perceptions on Training Intervention

The study sought to determine the impact of training offered through the TEF program on the businesses. To address the objective, the respondents were first required to specify the form of training they received from the TEF program. The findings are presented in Table 4.11.

Table 4.11: Form of Training Received from the TEF Program

Form of Training	Frequency	Percent
Business management/development	51	80.9
Book-keeping/ records keeping	24	38.1
Finances/ Capital management	51	80.9
Marketing skills/ Branding	39	61.9
Entrepreneurship	3	4.8

The findings in Table 4.11 show that (80.9%) of the respondents reported that they received training on business management and development, and finances/ capital management while 61.9% indicated that they had received training on marketing and branding. On the other hand, 38.1% of the respondents revealed that they received training on book-keeping/ records keeping while 4.8% had received training on entrepreneurship. This shows that the TEF program equipped the entrepreneurs with relevant skills to help them manage their business, manage their records and books of accounts, and marketing skills to enable them market and promote their products or services.

To respondents were further asked to specify the extent of agreement with statements on training intervention's impact on their businesses. The study used 1-5 Likert scale to interpret the results using mean scores and standard deviation. A mean score of 1-2.5 means

that the respondents disagreed; mean scored of 2.6- 3.5 means the respondents were neutral while 3.6-5.0 means the respondents agreed to the statement. The findings are presented in Table 4.12 below.

Table 4.12: Training Intervention

Statements	Mean	Std. Deviation
The training acquired from the TEF program has helped me become more innovate in my business (e.g. adopting new business operating model).	3.95	1.054
The training acquired has improved my/ our business management skills, and help adopt appropriate business strategies.	4.05	.906
The training acquired has contributed to better marketing skills for my/our business products/ services	4.14	.948
The training acquired from TEF program has increased my capacity to get loans from financial institutions, and other sources.	3.71	1.325
The training acquired from the program has helped manage the human resource and talents in my business better.	3.81	1.148

Table 4.12 reveals that the respondents were in agreement that the training acquired from TEF program had contributed to better marketing skills for the business products/ services (mean score = 4.14), and that the training acquired had improved their business management skills, and helped them adopt appropriate business strategies (mean score = 4.05). The respondents further agreed that the training acquired from the TEF program had helped them become more innovate in their businesses (mean score =3.95); and had helped them manage the human resource and talents better in their enterprises (mean score =3.81). In addition, the respondent agreed that the training acquired from TEF program had increased their capacity to get loans from financial institutions, and other sources (mean score = 3.71).

From the findings above, it can be deduced that training acquired from the TEF program helped the respondents acquire knowledge and skills that helped them become more innovate; manage the human resource/talents and their enterprises better; and also enhanced their capacity to get loans from financial institutions and other sources.

4.4.4 Perceptions on Networking Intervention

This section shows results on TEF Program beneficiaries' perception on networking intervention on their businesses. The respondents were first expected to rate the extent to which the program's alumni network has benefitted their business. The findings are presented in Figure 4.4.
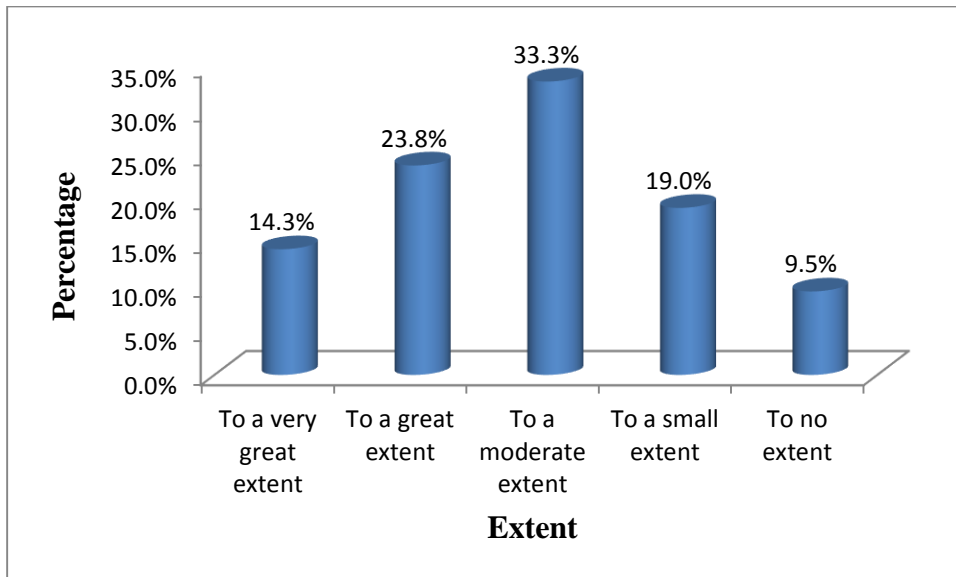
Figure 4.4: Extent the Program's Alumni Network has Benefited the Business

The findings in Figure 4.4 show that the 33.3% of the respondents indicated that the program's alumni network had benefitted their businesses to a moderate extent. On the other hand, 23.8% revealed that the program's alumni network had benefitted their businesses to a great extent while 14.3% indicated to a very great extent. However, 19%

of the respondents reported that the program's alumni network benefitted their businesses to a small extent while 9.5% indicated to no extent. From the findings it can be concluded that most of the respondents perceived the program's alumni network benefitted their business to a moderate extent, while some were of the opinion that the alumni network benefitted their businesses to a great extent and very great extent respectively.

The study further enquired from the respondents on the extent of agreement with statements on networking in relation to their businesses. The study employed a five-point Likert scale to analyze the data and the results were interpreted using mean scores and standard deviation. A mean score of 1-2.5 means that the respondents disagreed; mean scored of 2.6- 3.5 means the respondents were neutral (neither disagreed nor agreed) while 3.6-5.0 means the respondents agreed to the statement. The results are as presented in Table 4.13.

Table 4.13: Networking Intervention

Statements	Mean	Std. Deviation
Networking through TEF program has enhanced collaboration and partnership with other business.	3.43	1.304
Networking TEF program has increased access to more markets for my/our business products/ services	3.29	1.128
Networking has enhanced my/our talent and skills development.	3.62	1.054
Networking has enhanced my connections with investors.	3.24	1.279
Networking has helped my/our business partner, acquire or merge with other business ventures.	2.86	1.366

The findings shown on Table 4.13 reveal that the respondents were in agreement that networking had enhanced their talents and skills development (mean score = 3.62). The respondents were however neutral (neither agreed nor disagreed) on whether networking through the TEF program had enhanced collaboration and partnership with other business (means score = 3.43); and on whether networking had increased access to more markets for their business products/ services (mean score = 3.29). Moreover, the respondents were neutral when asked whether networking had enhanced their connections with investors (mean score = 3.24); and on whether networking had helped their businesses either partner, acquire or merge with other business ventures (mean scores= 2.86). As shown in the findings, while the respondents agreed that networking enhanced talent and skills development in their businesses, the respondents were neutral on whether networking had enhanced connections with investors, collaboration and partnership with other business, or even access to more markets for their products/ services. This may imply that networking may not have been effective in enhancing connections with investors, collaboration and partnership with other businesses.

4.5 Growth of MSMES Supported by Tony Elumelu Foundation

The study sought to establish the growth of the enterprises that were supported by TEF Program, with a focus on a 5-year period (2015-2019). Growth was measured using data on number of employees, number of customers, sales volumes/ turnovers and profit over the period. The findings are presented in Tables 4.14, 4.15, 4.16 and 4.17.

Table 4.14: Number of Employees for the Period 2015-2019

Year	Year 2015		Year 2016		Year 2017		Year 2018		Year 2019	
No. of employees	F	%	F	%	F	%	F	%	F	%
1-10	63	100.0	60	95.2	60	95.2	57	90.5	42	66.7
11-20	-	-	3	4.8	-	-	3	4.8	12	19.0
21-30	-	-	-	-	3	4.8	3	4.8	3	4.8
31-40	-	-	-	-	-	-	-	-	3	4.8
41-50	-	-	-	-	-	-	-	-	3	4.8
Above 50	-	-	-	-	-	-	-	-	-	-
Total	63	100.0	63	100.0	63	100.0	63	100.0	63	100.0

As shown in Table 4.14, all the respondents (100%, n=63) reported that their enterprises had between 1-10 employees in the year 2015. This means that these enterprises were micro in nature. As at 2015, 4.8% of the respondents indicated that their enterprises had 11-20 employees while 95.2% still had between 1-10 employees. As at 2018, 4.8% of the respondents revealed that their enterprises had between 11-20 and 21-30 employees respectively while 90.5% had between 1-10 employees. As at 2019, a similar percentage of respondents (4.8%) indicated that they had between 21-30, 31-40 and 41-50 number of employees, 19% had between 11-20 employees in their enterprises while 66.7% had between 1-10 employees. From the findings, it can be observed that the number of employees grew for some enterprises from the initial 1-10 to up to 41-50 employees. This means that some enterprises had grown from micro to small enterprises in the 5-year period.

Table 4.15: Number of Customers for the Period 2015-2019

Year	Year 2015		Year 2016		Year 2017		Year 2018		Year 2019	
No. of Customers	F	%	F	%	F	%	F	%	F	%
100 and below	60	95.2	57	90.5	57	90.5	48	76.2	36	57.1
101-250	3	4.8	3	4.8	3	4.8	6	9.5	9	14.3
251-500	-	-	3	4.8	-	-	6	9.5	6	9.5
501-750	-	-	-	-	3	4.8	-	-	-	-
751-1,000	-	-	-	-	-	-	3	4.8	3	4.8
Above 1000	-	-	-	-	-	-	-	-	9	14.3
Total	63	100.0	63	100.0	63	100.0	63	100.0	63	100.0

As evident in Table 4.15, in the year 2015, majority of the respondents (95.2%) their enterprises had 100 customers or less while 4.8% indicated that they had between 101-250 customers. As at 2017, 4.8% of the respondents revealed that their enterprises had gained customers up to between 101-250 and 501-750 respectively while 90.5% still had 100 customers or less. As at 2019, 57.1% of the respondents indicated that their enterprises had 100 customers or less, 9% had more than 1,000 customers and 101-250 customers respectively while 6% had between 251-500 customers. It is evident from the findings that the number of customers had increased for majority of enterprises over the period of 5 years. For instance, as at the year 2015, no business had more than 250 customers while as at the year 2019, some businesses reported that their customer base had growth to more than 1,000.

Table 4.16: Annual Sales Volumes for the Period 2015-2019

Year	Year 2015		Year 2016		Year 2017		Year 2018		Year 2019	
Amount (Kshs)	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**
Less than 1,000,000	42	66.7	39	61.9	36	57.1	30	47.6	24	38.1
1- 5 Million	21	33.3	18	28.6	18	28.6	15	23.8	21	33.3
5.1- 10 Million	-	-	3	4.8	6	9.5	6	9.5	6	9.5
10.1 – 20 Million	-	-	3	4.8	3	4.8	6	9.5	3	4.8
20.1-30 million	-	-	-	-	-	-	3	4.8	6	9.5
Above 30 million	-	-	-	-	-	-	3	4.8	3	4.8
Total	**63**	**100.0**	**63**	**100.0**	**63**	**100.0**	**63**	**100.0**	**63**	**100.0**

As revealed in Table 4.16, 66.7% of the respondents showed that their enterprises had sales turnover of less than Ksh. 1,000,000 while 33.3% indicated they had sales volumes of between Ksh. 1- 5 Million in the year 2015. As at 2017, 57.1% of the respondents revealed that their enterprises had sales turnover of less than Ksh. 1,000,000, 28.6% had sales turnover of Ksh. 1- 5 Million, 9.5% had sales turnover of Ksh. 5.1- 10 Million while 4.8% had sales turnover of Ksh. 10.1 – 20 Million. As at 2019, only 38.1% reported sales turnover of less than Ksh. 1,000,000; 33.3% had sales turnover of between Ksh. 1- 5 Millions, 9.5% had sales turnover of between Ksh. 5.1- 10 Million and 20.1-30 million respectively, while 4.8% revealed that their enterprises had sales turnover of between Ksh. 10.1 – 20 Millions and above 30 million respectively. From the findings, it can be observed

that the sales turnover of the enterprises increased gradually in the 5-year period. While no

business reported sales turnover of above Kshs. 5 Millions as at the year 2015; the sales

turnover for some business grew up Kshs. 30 Millions as at the year 2019.

Table 4.17: Annual Profit for the Period 2015-2019

Year	Year 2015		Year 2016		Year 2017		Year 2018		Year 2019	
Amount (Kshs)	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**
Less than 1,000,000	54	85.7	60	95.2	51	81.0	45	71.4	42	66.7
1- 5 Million	9	14.3	-	-	12	19.0	15	23.8	12	19.0
5.1- 10 Million	-	-	3	4.8	-	-	3	4.8	3	4.8
10.1 – 20 Million	-	-	-	-	-	-	-	-	6	9.5
20.1-30 million	-	-	-	-	-	-	-	-	-	-
Above 30 million	-	-	-	-	-	-	-	-	-	-
Total	**63**	**100.0**	**63**	**100.0**	**63**	**100.0**	**63**	**100.0**	**63**	**100.0**

As revealed in Table 4.17, majority of the respondents (85.7%) indicated that their

enterprises had an annual profit (before tax) of less than Kshs. 1,000,000 while 14.3% had

an annual profit (before tax) of between Kshs. 1- 5 Million. As at 2017, 81% of the

respondents revealed that their enterprises reported annual profits (before tax) of less than

Kshs. 1,000,000 while 19% reported annual profits of between Kshs. 1- 5 Million. As at

2019, the amount of profits had increased for some enterprises. As shown in the results,

66.7% of the respondents indicated that their enterprises had annual profits of less than

Kshs. 1,000,000; 19% reported annual profits of between Kshs. 1- 5 Million, 4.8% reported

profits of between Kshs. 5.1- 10 Million while 9.5% reported profits of between Kshs. 10.1

– 20 Million. From the findings it can be concluded that the annual profits of the businesses

grew over the 5-year period. As at the year 2015 no business made profits of above Ksh. 5

Million. However, as from the year 2016- 2019, some business reported high profits of up

to Kshs. 20 Million.

4.6 Influence of Tony Elumelu Program's Interventions on the Growth of MSMEs.

The study conducted a regression analysis to establish the form of relationship that exist

between the accelerator Program interventions (capital funding, mentorship, training, and

networking) and growth of growth of MSMEs supported by TEF Program. The regression

took the following form: $Y= \beta0+\beta_1X_1+\beta_2X_2+ \beta_3X_3+ \beta_4X_4+\alpha$, where Y is growth of

enterprise; $\beta0$ is the regression coefficient; X_1 is Capital funding; X_2 is Mentorship; X_3 is

Training; X_4 is Networking while α is Error term. The regression results are presented in

Table 4.18 below.

Table 4.18: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.913[a]	0.834	0.822	.382
a. Predictors: (Constant), Capital, Mentorship, Training, Networking				

The results in Table 4.18 show the R-value (correlation co-efficient) is 0.913, which

indicates a high degree of correlation while the Adjusted R- square value (coefficient of

determination) is 0.822, which shows how much of the total variation in the dependent

variable (growth of business), can be explained by the independent variables/ predictors

(capital, mentorship, training, networking). In this case, the independent variables explain 82.2% of the dependent variable, which means that all the four predictors combined, could contribute up to 82.2% of the business growth. The remaining percentage could be explained by other factors or variables that did not form part of the study.

Table 4.19: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42.398	4	10.600	72.680	0.000[b]
	Residual	8.459	58	.146		
	Total	50.857	62			
a. Dependent Variable: Growth of Business						
b. Predictors: (Constant), Capital, Mentorship, Training, Networking						

The ANOVA results in Table 4.19 explains how well the regression equation fits the data (i.e., predicts the dependent variable). The ANOVA results show that the statistical significance of the regression model is $p = 0.001$, which is less than 0.05, and therefore depicts that, the regression model largely statistically predicts the outcome variable. This therefore shows that the regression model largely predicts the dependent variable well.

Table 4.20: Regression Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.832	0.260		3.194	0.002
	Capital	0.685	0.144	0.566	4.768	0.000
	Mentorship	0.357	0.116	0.304	3.084	0.003
	Training	0.970	0.091	1.025	10.606	0.000
	Networking	0.209	0.101	0.167	2.064	0.043
a. Dependent Variable: Growth of Business						

The coefficient results in Table 4.20 above provide information that explains the relationship between the predictors (capital, mentorship, training, networking) and growth of businesses, and whether the relationship is statistically significantly. From the results, the study shows training has a positive and statistically substantial relationship with growth of businesses as shown by "B = 0.970, and the corresponding significant value (sig) of 0.001 (which is less than 0.05). There is also a positive and statistically significant relationship between growth of MSMEs supported by TEF program and capital (B = 0.685, P (sig) = 0.001 <0.05; mentorship (B = 0.357, P = 0.003<0.05); networking (B = 0.209, P = 0.043<0.05). This therefore implies that all the four accelerator programs offered through the TEF program have a positive and significant contribution to the growth of MSMEs.

4.7 Discussion of Findings

The findings show that all the respondents (beneficiaries) had received seed capital (non-refundable grants) from the TEF. This capital helped them not only to startup their business, but also acquire appropriate (modern) technologies and machinery to improve business processes; develop more new products/services; expand their business; and enhance the stability and sustainability of their businesses. The capital funding was found to have a positive and significant contribution growth of the enterprises. These findings are in agreement with those of Karema (2015) who also found out that capital financing either in terms of grants or from angel investors had an impact on the businesses' growth and survival. The study also indicated that acquisition of fundraising skillset also enables the startups access additional funding. This was the case on the TEF beneficiaries whereby majority were able to access additional capital from other sources other than the initial seed capital they received thorough the program.

The study found out that TEF mentorship programme as one of the accelerator interventions positively influenced positively the growth of businesses. As established from the findings, the mentorship programme helped the beneficiaries to gain substantial experience, manage their business better, and become more responsive to changes in their business or in the business-operating environment. It also improved their confidence to make better decisions, and also helped them develop innovative solutions and new strategies for their business. These findings corroborate with those of Akila (2014) who revealed that mentorship program is one of the key compon ents of the accelerator intervention that provides guidance on refinement of the business, provision of networking opportunities as well as building of stakeholders' trust who could become subsequent investors in the business after the conclusion of the program. The contribution of mentors (and the mentorship program) enhances growth of businesses.

The study also established that TEF program offered various forms of training which equipped the entrepreneurs with relevant skills to help them manage their business, manage their records and books of accounts, and marketing skills to enable them market and promote their products or services. The training the beneficiaries acquired also helped them become more innovate in their businesses, manage the human resource/talents better and also increased the entrepreneurs' capacity to get loans from financial institutions, and other sources. The training offered through the TEF program was found to have a positive and significant contribution to growth of the businesses. These findings are aligned with those of Clarysse et al. (2015) and Cohen and Hochberg (2014) that accelerator programs can be packaged to include; training covering a wide array of topics or areas which can help entrepreneurs to acquire skills and heighten market interactions with an aim of enabling

them adapt and learn quickly to the business environment, which subsequently enhances the growth of businesses they operate.

The study found out that networking enhanced talents and skills development of the entrepreneurs (beneficiaries). Majority of the respondents agreed that networking contributed significantly to the growth of their businesses. The study established that network had a positive contribution to growth of businesses. These findings are aligned with Hallen et. al. (2014) who sought to establish why some ventures accelerate more than others accelerator, and found out ventures that have gone through extensive learning and networking may attain early success milestones and achieve growth. Authors such as Clarysse et al. (2015), Cohen and Hochberg (2014) and Karema (2015) have also asserted networking is an essential accelerator intervention for startup that has the potential to enhance their growth.

The study's findings validate the Social Networks theory that emphasizes on connections and relationships in a social structure which was seen to be one of the interventions of the TEF program. The beneficiaries of the program leveraged on the social networks created during the program and after the program as alumni networks and agreed that the networking intervention received from the program enhanced talents and skills development. The respondents however were neutral on whether the networking enhanced collaboration and partnerships with other ventures, increased access to markets and enhanced access to investors indicating that the biggest gain from networking for the respondents was enhancement of skills and talents which contributed to the growth of the business.

The findings of the study further validate the Innovation Theory, which propones that every entrepreneur must innovate for innovation is a critical driver for competitiveness as seen in the accelerator programs key focus on competitiveness in the selection process followed by interventions that seek to refine the businesses that go through the program in order to hasten their growth potential. Tony Elumelu Foundation is driven by a unique long-term investment in empowering entrepreneurs in Africa that fits in the organization's philosophy of African Capitalism which positions Africa's entrepreneurs as the catalytic agents of social and economic development of the continent.

Lastly, the study further corroborates the Risk Bearing theory that propones that profit is made by an entrepreneur as the reward for bearing non-insurable risks and uncertainties. As revealed by the study's findings, Tony Elumelu Foundation focuses on for profit businesses with intention of building the profitability of the businesses using interventions that directly impact the growth of the businesses. The program offers access to information that allows business owners to evaluate and refine their product or service using the program's training intervention that are evident in influencing the growth of the business that pass through the program. This is in addition to the non-refundable grant that is disbursed to the participants at the end of the program. The program through its alumni programs offer the entrepreneurs access to programmes, forums and investment with intention to further the growth and sustainability of the businesses.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the findings as guided by the study objective, conclusion and suggests recommendations that can be adopted.

5.2 Summary of Findings

On capital funding and growth of the enterprises, the study first established that all the enterprises had received seed capital (non-refundable grants) from the TEF. Other than the seed capital, 38.1% of the beneficiaries had also received additional capital from angel investors or individual investor(s), 9.5% had received additional funding from bank loans and table banking sources while 4.8% revealed they had gotten additional capital from funds generated from the business. From these additional capital-funding sources, 38.8% of the enterprises accessed less than Ksh. 500,000 while a similar percentage of beneficiaries (30.8%) accessed between Kshs. 500,000- 1,000,000 and Kshs. 1,000,000-5,000,000 in additional funding. The beneficiaries agreed that the program's seed capital was the most critical in the startup of their business; and that the capital acquired had helped improve business processes by acquiring appropriate technologies and modern machinery. The regression results also found there is a positive and statistically substantial relationship between capital funding and growth of enterprises.

On mentorship program, the beneficiaries agreed that TEF mentorship programme had helped them gain substantial experience, to help manage their business better; and that sharing of experiences through the mentorship programme had helped them become more

responsive to any changes in their business or in the business-operating environment. The respondents also agreed that mentorship had improved their confidence to make better decisions for their business even when facing difficult business situations; helped them to develop new ideas and innovative solutions, and also enabled them learn and employ new strategies to their business. On overall the regression analysis established that there is a positive relationship between mentorship of entrepreneurs and growth of their business.

On training, the study established majority of the entrepreneurs had received training on business management and development, finances/ capital management, and marketing and branding. A number had also received training on book-keeping/ records keeping and on entrepreneurship. The beneficiaries agreed that the training acquired from TEF program had contributed to better marketing skills for the business products/ services, and had also helped to improve their business management skills and adopt appropriate business strategies. The beneficiaries also agreed that the training acquired from the TEF program had helped them become more innovate in their businesses, and manage the human resource and talents better in their enterprises. Moreover, the training increased the entrepreneurs' capacity to get loans from financial institutions, and other sources. The regression analysis established that training offered through the TEF program has a positive relationship with growth of the businesses.

On networking and growth of businesses, the beneficiaries of TEF program agreed that networking had enhanced their talents and skills development. The program's alumni network helped them gain more knowledge on business management, gaining new ideas, and getting business referrals. On overall, most of the beneficiaries revealed that the program's alumni network contributed to growth of their business to a great extent.

However, some of the beneficiaries felt that the program's alumni network only contributed to growth of their business to a small extent. The regression analysis established that there is a positive association between TEF program's alumni network and growth of businesses.

On growth of influence of accelerator programs on the growth of MSMES, the findings show that all the accelerator programs interventions (capital funding, mentorship, business training and networking) positively and significantly influence business growth. From the regression analysis, it can be inferred that the business accelerator programs influenced or contributed up to 82.2% of growth of MSMEs supported by TEF Program. Business training was seen to have the biggest contribution to the growth of MSMEs, followed by capital funding, then mentorship. Networking was seen to have the least contribution to growth of the businesses. The study established that most enterprises had a progressive growth in terms of the number of employees, the number of customers, sales turnover/ volume and annual profit (before tax) in a period of 5 years (between the years 2015-2019).

5.4 Conclusion

The study determined that the seed capital funding from TEF program has a positive and statistically significant relationship with growth of enterprises. The seed capital was very essential for the startup of the businesses. Other than the seed capital, some entrepreneurs were able to access additional capital from other sources such as angel investors/ individual investor(s), bank loans, table-banking, and from profits generated from the business.

The study concludes that TEF mentorship program influenced the growth of businesses. The program helped the entrepreneurs to improve their confidence, gain substantial experience and sharing of experiences, which helps them manage their business better.

From the mentorship, the entrepreneurs are also able to make better decisions for their business, develop better ideas and innovative solutions for their business, and become more responsive to any changes in their business. Increased mentorship of entrepreneurs through TEF mentorship program would significantly increase growth of business.

The study concludes that the TEF program equipped the entrepreneurs with relevant skills to help them manage their business, manage their records and books of accounts, and marketing skills to enable them market and promote their products/ business. Through training acquired from the TEF program, the beneficiaries acquired knowledge and skills that helped them become more innovate, and manage the human resource and talents better in their enterprises. The training received also increased the beneficiaries' capacity to get loans from financial institutions, and other sources. Overall, it can be deduced that increased training through the TEF program would significantly increase the growth of businesses.

The study concludes that the program's alumni network also helped them gain more knowledge on business management, gaining new ideas, and get business referrals hence accessing more opportunities. From networking, the entrepreneurs were able to acquire business leadership skills, marketing skills, and build sustainable networks to scale up and expand their businesses. However, the program's alumni network has not reached all entrepreneurs, and therefore there is need to enhance this program to bring on board more entrepreneurs, so that they can also benefit from the alumni network.

The study further answered the research question on whether the growth of businesses is measurable using the variables fronted by Achtenhagen et al (2010), that is the sales of volume variations in the number of employees as well as the time taken to achieve critical milestones such as the time it takes to raise capital, exit through acquisition and increase in the customer base as backed by Hallen et al. (2014).

5.5 Recommendations

The study recommends need for increased capital funding from TEF foundation for business start-ups and for purposes of expanding the already established businesses as this has been seen to have an impact on the growth of the businesses. Many entrepreneurs and especially young people have limited options to raise capital and may also have inadequate networks that provide information on private and public funds much needed by entrepreneurial starts-ups. Moreover, access to external funding is generally reliant on sufficient human and social capital and or adequate and acceptable collateral to act as security for the loan, which most of them are not able to provide and is mostly coupled with strict repayment schedules. Increased funding through seed capital is essential for the businesses start-up and their growth. The program can consider partnering with financial institutions to offer funding to the alumni through recommendations and various concessions on collateral requirements.

The study also recommends that there is need to expand the training of new entrepreneurs in order to equip them with relevant skills that would enable them manage their businesses better, and steer their businesses in the right direction. The study also recommends for the scaling up of mentorship and networking programs offered by TEF. The mentorship program can be enhanced through collaborations with learning institutions, development

agencies, financial institutions and through other incubators. Successful entrepreneurs who have gone through the program can also be used as mentors to new entrepreneurs. The study further recommends follow up on enterprises that have gone through the program through the alumni network. The alumni network has the potential to enhance collaborative business partnerships amongst the ventures that have gone through the program as well as provide new market opportunities and peer to peer mentorship that can form an extension of the program.

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APPENDICES

Appendix I: Research Questionnaire

Aim of the research

Tony Elumelu Foundation is the philanthropic arm of Heirs Holdings based in Nigeria that has been recognized as a 21st century catalytic philanthropy whose aim to promote entrepreneurship throughout the African Continent with special focus on young emerging entrepreneurs. The program is designed to train, mentor, fund and provide an array of networking opportunities to the next generation of African Entrepreneurs who are designing and delivering innovative solutions to Africa's most pressing challenges. Tony Elumelu Foundation empowered 297 Kenyan businesses between the year 2015 and 2017.

This purpose of this study is to establish the impact Tony Elumelu Foundation has had on the 297 Kenyan Business that have gone through the program between 2015 and 2017 in partial fulfilment of the award of Msc in Entrepreneurship and Innovation Management. The researcher anticipates that the study will contribute to a broad pool of knowledge on the influence accelerator programs have on the growth of small and medium enterprises in Kenya.

The questionnaire will take you approximately 10 minutes to complete. Due to the nature of the study you will need to provide some form of identifiable information of your business. All responses will be solely used for the purposes of this academic research only.

Should you have any questions regarding the research please feel free to contact the researcher (Lorna Gikabu, 0780145156, E-mail: Lgikabu@students.uonbi.ac.ke)

SECTION A: INFORMATION ABOUT THE BUSINESS

1. Name of Business………………………………………………………………

2. Year Business was founded…………………………………………………………

3. In which county is the Business located……………………………………..

4. Which of the following sectors best describe your business operations?

   (select all that apply)

   a. Agriculture   ☐

   b. ICT   ☐

   c. Education and Training   ☐

   d. Manufacturing   ☐

   e. Healthcare   ☐

   f. Fashion   ☐

   g. Commercial/retail   ☐

   h. Waste Management   ☐

   i. Media and Entertainment   ☐

   j. Consulting   ☐

   k. Other (Please specify) …………………………………..............

5. What is the number of employees that are employed by your enterprise?

   a. Micro   [1-10]   ☐

   b. Small   [10 – 49]   ☐

c. Medium [50– 99] ☐

d. Other………………….. ☐

6. How long has your business been in operation?

    a) Longer than 2 years ☐

    b) Two to Five Years ☐

    c) More than Five Years ☐

7. What is the legal status of your firm?

    a. Sole proprietorship ☐

    b. Partnership ☐

    c. Limited Liability Company ☐

    d. Family owned ☐

    e. NGO ☐

    f. Other (Please specify) ………………………….

SECTION B: ACCELERATOR PROGRAMS

8. To what extent did you receive the following interventions from the Tony Elumelu Foundation? Please select all that apply. Use a scale of 1-5 where, 1 is Not at all, 2 is to a small extent, 3 is to a moderate extent, 4 is to a great extent, 5 is to a very great extent

Statements	1	2	3	4	5
Capital Funding					
Mentorship					
Business training					
Networking					
Other (Please specify) ……………….					

I). Capital Funding

9. What form of capital did you received from Tony Elumelu Foundation (TEF)

programme to start up your business?

Debt Capital ☐ Seed Capital (non-refundable grants) ☐ Equity Financing ☐

Other (specify)…………………………………………….

10. Have you accessed additional funding from any of the sources below after completion

of the TEF program? (Please select all that apply)

    a. Angel Investors/Individual Investor(s)   ☐

    b. Bank Loans   ☐

    c. Funds generated from the business   ☐

    d. Table Banking   ☐

    e. None   ☐

11. How much total funding have you accessed from the source(s) above since completion of the program (excluding the seed capital received from TEF)?

  a. None   ☐

  b. Less than 500,000   ☐

  c. 500,000 -1,000,000   ☐

  d. 1,000,000-5,000,000   ☐

  e. Above 5,000,000   ☐

12. To what extent do you agree with the following statements on capital financing in relation to your business? Please tick in the table below using a scale of 1 to 5, where: 1=Strongly Disagree, 2 =Disagree, 3= Neutral, 4=Agree, 5 = -Strongly Agree

Statements	1	2	3	4	5
The program's seed capital was the most critical in the startup of my/our business.					
The capital acquired has helped expand my/our business to other locations.					
The acquired capital has helped my/our business develop more new products/services.					
The acquired capital has helped improve business processes by acquiring appropriate technologies.					
The acquired capital has enhanced stability and sustainability of my/our business.					

II). Mentorship

14. To what extent do you agree with the following statements on mentorship in relation to your business? Please tick in the table below using a scale of 1 to 5, where: 1=Strongly Disagree, 2 =Disagree, 3= Neutral, 4=Agree, 5 = -Strongly Agree

Statements	1	2	3	4	5
TEF mentorship programme has helped me gain substantial experience, to help manage my business better.					
Mentorship has helped me to develop new ideas and innovative solutions for my/ our business					
Mentorship has helped me learn and employ new strategies to my business.					
Sharing of experiences through the mentorship programme has helped me become more responsive to any changes in my business or business operating environment					
Mentorship has improved my confidence to make better decisions for my business even when facing difficult business situations.					

III). Training

16. What form of training did you receive from the TEF program? (Tick all that applies)

    i.   Business management/development ☐

    ii.   Book-keeping/ records keeping   ☐

    iii.   Finances/ Capital management   ☐

    iv.   Marketing skills/ Branding   ☐

    v.   Others (specify)…………………………………………………………………

17. To what extent do you agree with the following statements on training in relation to your business? Please tick in the table below using a scale of 1 to 5, where: 1=Strongly Disagree, 2 =Disagree, 3= Neutral, 4=Agree, 5 = -Strongly Agree

Statements	1	2	3	4	5
The training acquired from the TEF program has helped me become more innovative in my business (e.g. adopting new business operating model).					
The training acquired has improved my/ our business management skills, and also adopt appropriate business strategies.					
The training acquired has contributed to better marketing skills for my/our business products/ services					
The training acquired from TEF program has increased by capacity to get loans from financial institutions, and other sources.					
The training acquired from the program has helped manage the human resource and talents in my business better.					

IV). Networking

19. To what extent has the program's alumni network benefitted your business?

To a very great extent ☐   To a great extent ☐   To a moderate extent ☐

To a small extent ☐   To No extent ☐

20. To what extent do you agree with the following statements on networking in relation to your business? Please tick in the table below using a scale of 1 to 5, where: 1=Strongly Disagree, 2 =Disagree, 3= Neutral, 4=Agree, 5 = -Strongly Agree

Statements	1	2	3	4	5
Networking through TEF program has enhanced collaboration and partnership with other business.					
Networking TEF program has increased access to more markets for my/our business products/ services					
Networking has enhanced my/our talent and skills development					
Networking has enhanced has enhanced my connections with investors.					
Networking has helped my/our business partner, acquire or merge with other business ventures.					

SECTION C: GROWTH OF THE ENTERPRISE

22. Please fill in the table below using annual figures as at the end of each financial year for the years your business has been in existence.

PARAMETER   **YEAR**

	2015	2016	2017	2018	2019
No of employees					
No. of Customers					
Annual Sales Volumes/ Turnovers					
Annual Profit (Profit Before Tax)					

Thank you for taking part in this research