

# INNOVATION THROUGH BUSINESS PLANNING AMONG MICRO, SMALL AND MEDIUM ENTERPRISES IN KENYA

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## Abstract

*This paper focused on the effects of business planning in the sustainability of the micro, small and medium business enterprises (MSMEs). The main objective is to find out the contribution of the business plans to the MSMEs survival. The failure of most business enterprises can be attributed to lack of business plans. Researches done indicate that many Micro, Small and Medium Enterprises (MSMEs) have not documented business plans. The primary aim of business plans is to increase innovation, productivity and employment in the MSME sector in Kenya. The business plan competition conducted by the Kenya Institute of Management (KIM) in 2009 aimed at assisting current and emerging entrepreneurs in Kenya overcome constraints faced in the MSME sector and to create an environment that spawns creative business ideas and that can be effectively implemented within the context of the global economy. Out of 2,006 business plans obtained from KIM, the researchers established that less than 30% of the entrepreneurs who entered into the competition proceeded to the next stage after screening at semblance of business plans. These were taken through business plan competition training to enable them improve their creativity and innovation in formulation of business ideas. In their analysis, the researchers established that those entrepreneurs who had business plans had sustainable businesses. Desk analysis was used to establish the level of understanding of business plans by entrepreneurs.*

**Key Words: Innovation, Business Plans, MSMEs, Competition**

## ACRONYMS AND ABBREVIATIONS

BPC	Business Plan Competition
CD	Compact Disc
JKUAT	Jomo Kenyatta University of Agriculture and Technology
KIM	Kenya Institute of Management
KWFT	Kenya Women Finance Trust
MSME	Micro Small Medium Enterprises
OECD	Organization for Economic Co-operation and Development
SME	Small Medium Enterprise
TIPs	Technical Implementation Partners
TNS/K	Techno Serve- Kenya
TOT	Training of Trainers

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## 1.0 Introduction

There exist several definitions of the term micro, small and medium enterprises (MSMEs), varying from country to country and between the sources reporting MSMEs statistics. The commonly used criteria at the international level to define MSMEs are the number of employees, total net assets, sales and investment levels. Where employment is the criterion used to define, then there exists variation in defining the upper and lower size limit of MSMEs. The European Union makes a general distinction between self-employment, micro, small and medium sized businesses based on the following criteria:

### Number of employees

0	Self-employed
2-9	Micro-business
10-49	Small business
50-245	Medium-size business

*Source:* UNIDO (2004).

In South Africa, the term SMME, for Small, Medium and Micro Enterprises, is used. Elsewhere in Africa, MSME is used, for Micro, Small and Medium Enterprises. Definition for MSMEs is often considered to be an obstacle for business studies and market research. Definitions in use today define thresholds in terms of employment, turnover and assets. They also incorporate a reasonable amount of flexibility around year-to-year changes in these measures so that a business qualifying as an MSMEs in one year can have a reasonable expectation of remaining an MSMEs in the next. The thresholds themselves, however, vary substantially between countries. As the MSMEs thresholds dictate to some extent the provision of government support, countries in which manufacturing and labour-intensive industries are prioritized politically tend to opt for more relaxed thresholds.

Canada defines a small business as one that has fewer than 100 employees (if the business is a goods-producing business) or fewer than 50 employees (if the business is a service-based business). A firm that has more employees than these cut-offs but fewer than 500 employees is classified as a medium-sized business. In OECD economies, SMEs and microenterprises account for over 95% of firms, 60-70% of employment, 55% of GDP and generate the lion's share of new jobs. In developing countries, more than 90% of all firms outside the agricultural sector are SMEs and micro enterprises, generating a significant portion of GDP (OECD, 2005).

According to the 2003 Economic Survey by the Government of Kenya, employment within the MSME sector increased from 4.2 million in 2004 to 5.1 million in 2006; with the informal sector accounting for 70.4 per cent of total employment opportunities. In 2005, the informal sector accounted for 72.8 per cent of total employment opportunities. This percentage rose to 74.3 per cent in 2006 and 76.5 per cent in 2008 (GoK Economic Survey, 2008).

To support the development of the private sector, generate wealth and alleviate poverty in Kenya the government, through the Ministry of Industrialization, with the assistance of the World Bank, implemented the Micro, Small and Medium Enterprises (MSME) Competitiveness Project through public and private sector partnerships (PPP). The project started in 2005. The main

objective of the five year project was to increase growth and competitiveness of MSMEs in Kenya. The project therefore aimed to increase productivity and employment in participating MSMEs. This aim was to be achieved through: Strengthening financial and non-financial markets to meet the demands of MSMEs, strengthening institutional support for employable skills and business management and reducing critical investment climate constraints on MSMEs.

### **1.0.1 Innovation**

Innovation is key to technology adoption and creation, and to explaining the vast differences in productivity across and within countries. Despite the central role of the entrepreneur in the innovation process, data limitations have restricted standard analysis of the determinants of innovation to consideration of the role of firm characteristics. From a layman's perspective, innovation refers to the creation of a unique product or process, whether it is brought to market or not. Needless to say, little wealth can be created from a new idea unless it is commercialized. This general definition of innovation can be split into four subcomponents, as defined by Bogota and Oslo: *Product, Process, Marketing and organizational innovations*

### **1.0.2 Business Plan**

A business plan is a written document that details a proposed venture. It is the black and white picture that describes all aspects of the venture that is the project, the product / service, manufacturing / generation, critical risks, financing, management, milestones, timetable and contingencies. A business plan is a document that clearly demonstrates what the venture is, where it is projected to go and how the entrepreneur proposes to get there. It is the entrepreneur's roadmap to a successful enterprise. A well written business plan offers various benefits to entrepreneurs. These include: Access to business finance from banks and other financial institutions, guidelines for opening new business or expanding an existing one, providing a tool for managing every aspect of the business operation and Communicates to outsiders about the goals, objectives and activities of the business. Writing a business plan can be as valuable as the plan itself. The work required to write a business plan forces the management team to think through every aspect of the business and to establish the most important priorities. The information in the plan should always be tailored to the individual business (Barringer and Duane 2008).

A Summary business plan is 10 to 15 pages and works well for companies in early stages of development. These companies don't have the information needed for a full business plan but may put together a summary business plan to see if potential investors are interested in their idea. A Full business plan typically 25 to 35 pages spells out company operations and plans in much more detail than a summary business plan and is the usual format for the business plan prepared for an investor. Operational business plan is usually prepared for internal audience. It is 40 to 100 pages long and provides a blueprint for a company's operations. Writing a business plan is one particularly good way of describing where a business stands today and what it needs to move forward. A milestone, in a business plan context, is a signpost of a noteworthy event in the past or the future development of a business (Barringer and Duane 2008). According to Cynthia (2006) business plans should include basic information in the areas which include: history and background of the business idea, goals and objectives, products or services, form of ownership, management and staffing, marketing and financial statements. Some business plans include information on licensing requirements, legal issues and other items relevant to a

specific business. The business plan should include the element which is: cover letter, title page, table of contents, statement of purpose, executive summary, main body and appendix.

### **1.1 Background of the Study**

According to the economic survey review of 2005, Kenya's economic performance declined in the 1990s. Compared to the first post independence decade when the economy recorded an average of 5.3 per cent per annum, growth slackened considerably to only 2.1 per cent in the 1990s before turning negative in the year 2000. Decline in economic growth has serious implications for gender inequalities. It tends to widen the gap in resource allocation. In 1999, the per capita income in Kenya was estimated at US\$306 compared to US\$360 in 1989. Lower per capita income erodes the capacity of individuals to access basic socio-economic goods and services that are essential for a decent life. This is especially so for the disadvantaged social groups, such as women and particularly disabled women.

A fall in the Gross Domestic Product (GDP) growth rate also meant reduced social spending on health, education and even support for disadvantaged social groups, such as women who wanted to engage in MSEs. The Structural Adjustment Programmes (SAPs) also led to actual increased cost in services to private individuals (GoK Economic Survey, 2005). In Kenya, like much of Africa, the informal sector plays a vital economic role and the government is taking steps to help this sector grow. The legal framework and government policies, as articulated in various documents culminating in the most recent Sessional Paper No. 2 of 2005, have set the stage for a conducive environment for entrepreneurship development. This Sessional Paper in particular, outlines the way forward regarding government policy in specific areas including, legal regulatory environment, land laws, markets and marketing, financial services, skills and technology, business management and gender equity.

Micro, Small and Medium Enterprises (MSMEs) are businesses whose number of employees and operational capacity fall below certain limits. The MSMEs sector plays a pivotal role in the overall industrial economy of the country. It is estimated that in terms of value, the sector accounts for about 80% of employment in Kenya. The MSMEs sector employs about 8.5 million persons in over 2.6 million units throughout the country.

The contribution of micro, small and medium enterprises (MSMEs) sector to manufacturing output and exports of the country is quite significant. According to estimates, in terms of value, the sector accounts for about 45 per cent of the manufacturing output and 40 percent of the total exports of Kenya. There are more than 6000 products, ranging from traditional to high-tech items, which are being manufactured by the Kenyan MSMEs.

Some of the key constraints that are being faced by the Kenyan MSMEs are:

Accessing adequate and timely financing on competitive terms, particularly longer term loans, accessing credit on easy terms has become difficult in the backdrop of current global financial crisis and the resultant liquidity constraints in the Kenyan financial sector, which has held back the growth of MSMEs and impeded overall growth and development. In addition, financing constraints faced by Kenyan SMEs are attributable to a combination of factors that include policy, legal/regulatory framework (in terms of recovery, bankruptcy and contract enforcement), institutional weaknesses (absence of good credit appraisal and risk management/ monitoring tools), and lack of reliable credit information on MSMEs. It has also become difficult for lenders

to be able to assess risk premiums properly, creating differences in the perceived versus real risk profiles of MSMEs. Other constraints include lack of access to skilled manpower, insufficient research and development facilities, availability of finance at cheaper rates, decision-making skills, good management and accounting practices, and access to modern technology.

### **1.1.1 Profile of Jitihada National Business Plan Competition**

The Jitihada National Business Plan Competition (JNBPC) aimed at introducing a business plan/Innovation Competition through best practice models to encourage innovative business ideas. The National Business Plan Competition was funded by World Bank through the MSMEs to the tune of US\$ 1.6 million equivalent to Kenya Shillings 121 Million. The JNBPC took place over a 12 month period, beginning 24 February 2009. It was implemented as a partnership between The Kenya Institute of Management (KIM) as a leader of consortium consisting of Jomo Kenyatta University of Agriculture and Technology (JKUAT) and Techno-Serve Kenya.

Jitihada was designed to assist current and emerging entrepreneurs to overcome constraints faced by the Micro Small and Medium Enterprises (MSME) sector. It was also intended to create an environment that spawns creative business ideas that can be effectively implemented within the context of the global economy.

The Mission of Jitihada is to run and manage a Business Plan Competition (BPC) whose effort is to promote and support entrepreneurship and development and growth of sustainable and globally competitive MSMEs, thus creating wealth and increasing employment, incomes and economic opportunity for the people of Kenya.

The specific objectives of Jitihada are to: Increase the growth in MSME jobs and creating wealth by enhancing dramatically the culture of innovation and entrepreneurship particularly among the youth of Kenya, providing targeted relevant training and tools to new entrepreneurs and existing business and providing access to markets and market information, capital, new technologies, space and equipment.

Other specific objectives include: provision of networking and linkages opportunities for existing MSMEs and emerging entrepreneurs between and among the established private sector in Kenya, Supporting growth of MSMEs by developing a locally-owned and managed Business Plan Competition (BPC) program that will be self sustaining through on-going private sector support and participation, Creation of opportunities for micro-enterprises to transform into MSMEs, and Provision of information and recommendations to relevant government entities regarding key legal and regulatory constraints to launching and growing MSMEs.

### **1.2 Statement of the problem**

Most entrepreneurs in Kenya tend to copy existing ideas rather than develop innovative businesses. According to a 2003 World Bank report, at least 90% of new businesses in the major regions of the country are general retailers, hotels, or caterers. These 'copycat' businesses create undifferentiated markets that compete purely on price, resulting in entrepreneurs sharing existing rather than creating new market value. This is further supported by the fact that only 2 patent applications were filed by residents of Kenya in 2002 compared with 115,934 filed by non-residents. According to Barringer (2008) a large percentage of entrepreneurs do not write business plans for their new ventures. Many entrepreneurs say that the day to day pressures of getting a company up and running leave them little time for planning. This is a short-sighted

thinking since there are clear advantages of writing a business plan. The main purpose of the study is to find out how innovation through business planning among micro, small and medium enterprises contributes to their success.

### **1.3 Objectives of the Study**

#### **1.3.1 General Objectives**

The main objective of the study is to establish the extent of innovation through business planning among micro, small and medium enterprises (MSMEs) in Kenya.

#### **1.3.2 Specific Objectives**

The specific objectives of the study are:

- i) To evaluate the innovative business plan ideas as visions for potential new ventures, its potential for economic successes and the likely hood of achieving that success based upon the teams plans and experience.
- ii) To evaluate both the innovativeness of business plan idea and quality.
- iii) To find out the age and gender representation innovative business plan competition at provincial level.

#### **1.4 Research Questions**

- i) How does innovative business plans ideas act as vision for potential new ventures and economic successes and the likely hood of achieving that success based upon the teams and experience?
- ii) What is the innovativeness of business plan idea and quality?
- iii) What was the age and gender representation in innovative business competition at provincial level?

### **1.5 The Significance of the Study**

The research findings have established the importance innovative business plans to the success of MSMEs. The findings will be important to internal audience and external audience.

#### **1.5.1 Company Founders and Initial Management Team.**

This is the group that that typically writes the plan. The process of writing the business plan forces the firm's initial management team to think through every aspect of the business plan and to reach a consensus regarding the most important priorities.

#### **1.5.2 Rank and File Employees.**

This group will be looking for a clear description of what the entrepreneurial venture intends to accomplish it. This information will help the employees make sure that what they are doing is consistent with the company's objectives an intended direction.

#### **1.5.3 Board of Directors.**

For firms that have board of directors, the business plan establishes a bench mark against which the top management team's performance can be measured.

#### **1.5.4 Potentials Investors.**

For the investors the business plan provides evidence of the strength of the business opportunity, the quality of the firms top management team and other relevant information. Investors will also be looking for how they will receive a return on investment, whether through an initial business offering, the sale of the company, or a management buyback

#### **1.5.5 Potential Bankers.**

Bankers are interested in how and when money loaned to a start up would be repaid and where the start up has collateral available to secure a loan. Bankers are also interested in how accompany should survive potentials setbacks.

#### **1.5.6 Potential Alliance Partners and Major Customers.**

High- quality alliance partners and major customers are generally reluctant to enter into the arrangements with unknown companies. Convincing businesses plans can help lessen their doubts.

#### **1.5.7 Key Recruits for Jobs in the New Firm.**

Key recruits will be looking primarily at the excitement of the business opportunity, the compensation scheme for key employees, and the future prospects of the firm.

#### **1.5.8 Merger and Acquisition Candidates.**

Companies grow through acquisitions and engage in divestitures as a way of gaining liquidity. A potential merger or acquisition candidate will typically ask a company for a copy of its business plans to use as a first screening tool.

#### **1.5 8 Others.**

Scholars as it will extend their knowledge, local entrepreneurs and entrepreneurs from other countries will realize the role of business plans in the success of their businesses. The government will find the information useful in policy formulation, while it will provide a basis for future research for other researchers and research institutions.

## **2.0 Research Methodology and Design**

### **2.1 Research Design**

A cross sectional survey design method was found to be appropriate due to the large number of business plans involved, and the fact that the study sought to establish the status at a particular point in time.

### **2.2 The Population**

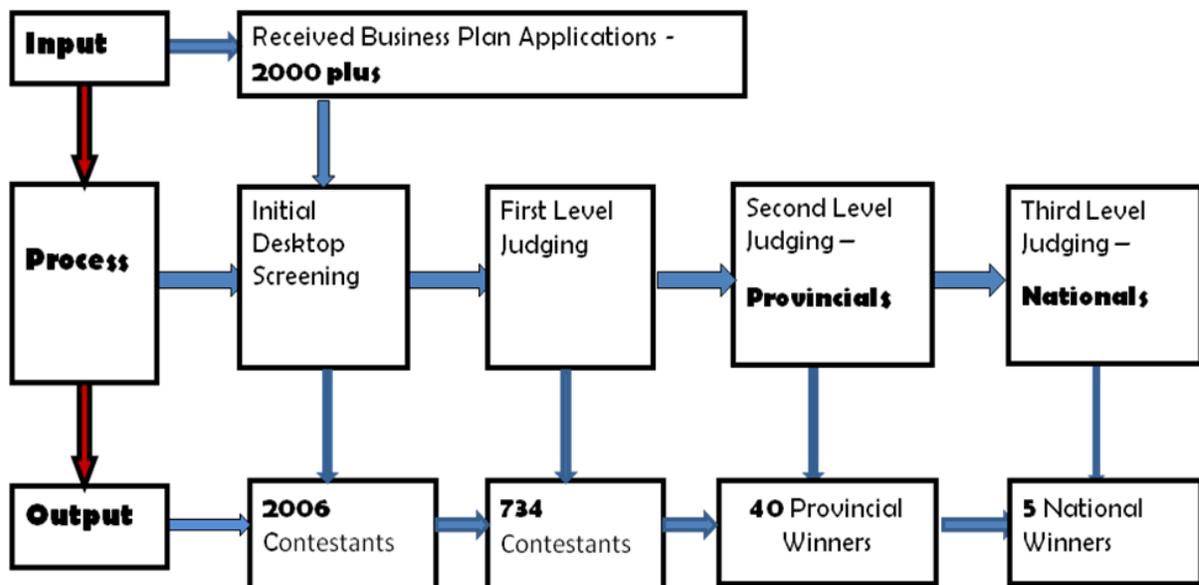
The population of this study was all micro, small and medium enterprises in Kenya. It is estimated that they are over 2.6m registered MSMEs in Kenya at the moment. All entrepreneurs who intended to start new businesses and those already in business were requested to submit business plans to the Kenya Institute of Management for Jitihada Business Plan competition. The general criteria for participation in the competition included the following: Any resident over the age of 18 that seeks to invest in Kenya by starting a new business venture, or expanding or diversifying an already existing one, existing business which have less than 99 employees at the time of application and no employees of the *Jitihada* consortium was to participate. The content of all submissions was a must to be the original work of the individual submitting the idea. The total numbers of applications adjudicated were 2006. These were judged by 23 judges. All the

judges were inducted by the Jitihada SME Expert ahead of the adjudication in the month of October 2009. A total of 2006 business plans were submitted for the competition. This formed the population of the study.

### 2.3 Sample Size.

All the 2006 business plans collected entered the competition. The study used all the business plans. All the Jitihada National Business Competition participants were selected.

The census method of sampling was therefore used as 2006 business plans were taken as a sample. In collecting relevant published secondary data, several institutions and offices were selected due to their involvement in the MSME sector. During arranged visits, preliminary interviews were held with key people and relevant reports and research documents were made available to the team. The organizations visited included: Ministry of Industrialization, Microfinance Institutions like Kenya Women Finance Trust (KWFT), Universities: Jomo Kenyatta University of Agriculture and Technology (JKUAT), United States International University (USIU), Kenyatta University (KU), University of Nairobi, Institute of Development Studies (IDS) and Moi University (MU).



### 2.4 Data Collection

The data collection process largely involved interviews with entrepreneurs and the analysis of official documents, reports and publications. Interviews provided a personal assessment of the factors affecting entrepreneurs in Kenya.

The data collected was classified into scale, scope and profile of the overall MSE sector. Identifying relevant institutions and organizations in the public and private sectors, dealing with MSMEs and purposively sampling them prior to data collection.

## **2.5 Data Analysis and Interpretation**

This section of the report gives an overview the judging process at the provincial and national level. Judges for the competition included: venture capitalist, private investors, bankers, established entrepreneurs, and industry and technical experts. Any entry was subject to minimum criteria in terms of market potential, viability and other factors as determined by the judging panel's experience. The judges was to evaluate the plans not as a documents but as a visions for potential new ventures 'its potential for economic success and the likelihood of achieving that success based upon the teams plan an experience. The were also to evaluate both the innovativeness of the idea and the quality of the business plan For a business plan to ultimately be a 'winner' there must be at least one financial institution willing to finance it. Winners are of course under no obligation to accept financing from any institution. Judge were expected to be fair objective and transparent. All decisions related to evaluation were the final, the scoring was to be reviewed by an independent panel and there were no opportunity for participants to appeal.

### **2.5.1 Level I: Desk top screening**

This was undertaken by selected undergraduate professionals of business studies under the supervision of the Project Manager, the SMEs Expert and supervisor judge. The desk top screening served to determine the qualifying business plans .Out of the 2221 applicants received 4% did not meet the criteria and as such were dropped out. **The remaining 96% totaling to 2006** applicants proceeded for judging level II. The evaluation process and criteria at this level were; presentation of the company, product and services, sales and marketing strategy, operations strategy, business model, financial projections, initial investment sales forecast, willingness to invest in the project and environmental and social impact. .

### **2.5.2 Level II: Adjudication of the Qualifying Business Plans**

A total of 2006 business plans were adjudicated by two independent judges. Out of the 2006 business plan the best 734 were selected to continue with stage 111 of the competition.

The evaluation process and criteria at this level were: competitive advantages, sensitivity analysis, costs and expenses, long-term objectives, costs and counter measures, job creation and profit potential after one year of operation.

### **2.5.3 Analysis of the Adjudicated Business Plans assessed at Level 111.**

This was the final evaluation process which was oral presentations to a panel of judges. Out of 734 business plans, 40 business plans became the provincial winners and the first 5 became the national winners. The evaluation process and criteria were: presentation of the company, managements team qualifications, competitive advantages, business models, financial projections, sensitivity analysis initial investment, institutional and individual willingness to invest, and environmental and social impact. Jitihada Provincial and National Award Prizes. Prizes in each of the category were announced at the provincial and National level ceremonies respectively.

### **3.0 FINDINGS AND OBSERVATIONS**

Innovative business plans act as visions for potential new ventures for economic success and the likelihood of achieving that success based upon the teams plan and experience. It also contributes to market potential and viability of MSMEs and generation of innovative idea and quality of Business plans that will lead to success of MSMEs

#### **Sector Analysis**

The majority of applicants (36%) were in the service sector while some 24% in trade. Twenty percent were from agribusiness and 24% in manufacturing sector.

All the provinces had representatives in the various sectors. North Eastern had the majority of the participants in trading while Nairobi Province had the highest participants in service provision.

#### **Gender Analysis**

The gender representation of the applicants that qualified at the first level screening was 36% women and 64% men. The women representation exceeded the target of 30%. Coast province had the highest percentage of women representation.

#### **Business Size Analysis: Provincial Business Size Analysis**

Majority of the applicants were micro-enterprises at 75% as compared to 22% and 2% in small and 1% medium respectively. Central, Coast and Nairobi provinces had the majority of the Medium enterprises in that order.

#### **Start ups and growing Businesses**

Majority **51%** of the business plans presented were from start ups while 48% were existing businesses and 1% rehabilitation of businesses. Nyanza and North Eastern province presented the majority of the existing businesses while Nairobi and Central presented majority of the start up businesses. The Rift Valley Province had the highest number of businesses requiring rehabilitation.

In the Business Plan Competition, the 40 provincial champions, who qualified for the National competition, went through a thorough judging process which involved twenty minutes of oral presentation of their business plans after their three day training. Five entrepreneurs emerged the National winners.

All applications received enjoyed centralized assessment in Nairobi. The total numbers of applications adjudicated were 2006. These were judged by 23 judges. All the judges were inducted by the Jitihada SME Expert ahead of the adjudication in the month of October 2009.

The screening had four levels and the judging process was largely informed by the advice and experience of Techno Serve Kenya. At the provincial level, the majority of applicants (36%) were in the service sector while some 24% in trade. Twenty percent were from agri-business sector and 24% in manufacturing. All the provinces had representatives in the various sectors. North Eastern had the majority of the participants in trading while Nairobi Province had the highest participants in service provision.

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At the National level, the majority of the applicants were micro enterprises. Majority of the business winners at the national level were existing businesses. There were 40% were new businesses and 60% existing businesses.

The national winners were dominated by the 36 – 50 age brackets. The youth representation was 20%.

The Jitihada BPC was successful. Phase I involved many people, especially the 734 who were trained. The impact will be felt in the medium to long term, the following achievements were realized by the beneficiaries:

- **Promotion of Entrepreneurship** – the business plan concept and awareness has now been advanced to all the Provinces. Over 2000 applicants registered in the BPC and awareness of the BPC is high in the country.
- **Capacity and Infrastructure** – Jitihada has created a reservoir of MSME experts with requisite skills and knowledge to promote Kenya-entrepreneurship home-grown solutions. This included seasoned trainers, judges, business advisors /mentors and other consultants.
- **Innovation and Creativity** – Jitihada phase I has provided opportunity for both business start-ups and existing businesses to exercise their creativity and innovations in generating ideas and synthesizing them by writing quality business plans.
- **Business Networks** – the project has created numerous business linkages and network opportunities for entrepreneurs, trainers and business advisors.
- **Women Participation** – the project has encouraged growth by giving women MSMEs opportunities for participation which currently stands at over 30% nationally.
- **Introduce an incubation** period of three years for the graduates to ensure sustainability of the businesses growth. Identification of areas of invention then linking them to appropriate support persons or institution.

#### **4.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

A number of developed countries of the world depend on their micro small and medium for technological innovation, revenue growth and employment generation. In fact, SMEs are the foundation upon which the edifice of their large scale sector stands. A similar potential exists in Kenya. The government with its archaic state machinery in the form of ministerial departments and MSMEs with their characteristic short-term outlook and non-entrepreneurial attitude will not

be able to provide viable answers to the current and impending challenges that Kenyan economy faces. This situation leads to a non-conducive business environment for SMMEs in the country, .e., low business start-up and survival rates, compounded by the inability of SMMEs to graduate from micro to small to medium to large scales.

An innovative business plan is a critical process in any enterprises success as it acts as an important road map for the ventures initial management teams and employees. It is a document that helps anew venture flesh out its business model and solidify its goal .It is also importance because it is a selling document or a company .It provides a mechanism of a young company to present its self to potential supplies businesses partners and key job candidates by showing how all the pieces of anew venture fit together to create an organization capable of meeting its goal and objectives. It is the work of the pubic sectors and private sector to work together and help the entrepreneurs to understand the need of innovative business plans and conduct innovative business plans writing techniques training sessions for the entrepreneurs. Women and the youth should also be encouraged and be financed to start small business enterprises and engage themselves in writing innovative business plans This will minimize the failure of MSMEs as most entrepreneurs will be successful in attaining their goals.

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#### **4.1 Further Research Gap**

This research was only done in Kenya and it was cross sectional survey. Further researches need to be done in other countries to find out if innovative business plan contributes to the success of MSMEs.

#### **4.2 Limitations of the Study**

Most of the records of MSMEs in Kenya are not properly documented. This makes their analysis difficult. Time is another limitation.

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## APPENDICES

**Table 1: Provincial and National Prizes**

PROVINCIAL AND NATIONAL PRIZES		
Award Type	Provincial	National
First Prize	100,000	1,000,000
Second Prize	75,000	750,000
Third Prize	50,000	500,000
SPECIAL AWARDS		
Best Women Entrepreneurs	50,000	250,000
Social Entrepreneur	50,000	250,000

**Table 2: National Winners Breakdown**

National Winners Analysis			
Prize	Business Size	Sector	Business Lifetime
1st Prize	Small	Trade	Expanding Business

2nd Prize	Micro	Service	New Business
3rd Prize	Micro	Manufacturing	New Business
Best Woman Entrepreneur	Micro	Agribusiness	Expanding Business
Best Social Entrepreneur	Medium	Agribusiness	Expanding Business