



# Promoting Agri-Startup Growth in Western Kenya

## A Mentorship Approach



### Introduction

The agri-food sector presents a unique set of hurdles for startups: It requires specialised knowledge in areas like agriculture, food science, and a diverse range of regulations while young entrepreneurs simultaneously have to navigate the intricacies of business management. Any of these obstacles can impede their growth and sustainability. This is no different for agri-startups in the Western Region of Kenya. They grapple with inherent business challenges that threaten their prospects, hindering their ability to provide sustainable income and employment opportunities for the region's youth (UNCTAD, 2019). These challenges include limited access to finance, high-quality production inputs, and advanced technologies. Furthermore, they

often struggle with inadequate market outlets, insufficient market information, and inefficient management systems, such as ICT. Additionally, issues like business non-compliance, operational inefficiencies, poor networking, and a lack of comprehensive business planning can further hinder their development.

In general, these critical growth and sustainability factors necessitate targeted support and interventions to ensure the long-term success of young businesses. Agri-Jobs **4 Youth** therefore started providing structured and targeted mentoring to agri-startups with the goal to give them the specific guidance and support they need to thrive.

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## The Mentorship Approach

Agri-Jobs **4 Youth** defines mentorship as a relationship between a more experienced individual (the mentor) and a less experienced one (the mentee) who is running a business in the agri-food sector. The mentor shares their knowledge, experience, and guidance to help the mentee navigate current challenges, make decisions, and achieve their business goals. Mentoring can guide and influence the growth of an enterprise by directly advising and teaching the entrepreneur. It creates an enabling environment in which the mentee can learn just what they need at the moment and make use of all opportunities available to them.

Agri-Jobs **4 Youth** piloted a B2B mentorship programme which demonstrated the **effectiveness of targeted mentorship support** for micro-enterprises and startups in the agri-food value chains in Western Kenya. Based on the positive outcomes, the project continues to scale the mentorship approach by focusing on a tripartite mentorship model. This model leverages a blend of:

- ① **Business mentorship** provided by Business Development Service (BDS) experts,
- ① **Industrial mentorship** provided by experienced businesses,
- ① **Peer mentorship** by entrepreneurs and peers within the same age bracket.

To maximise impact, the mentorship programme in Western Kenya will strategically combine industrial expertise and business acumen from the industrial and business mentors respectively. It will address the main business gaps below, which hinder the growth of startups in the agri-food sector:

### 1. Limited Access to Capital:

Agri-food startups often face challenges securing funding compared to startups in other sectors. Traditional lenders perceive agriculture as high-risk due to factors like weather dependence and long production cycles. While there is a growing interest from specialised venture capitalists in the agri-food space, the total investment volume still lags other sectors.

### 2. Fragmented Supply Chains and Market Access:

The agri-food sector is characterized by complex and fragmented supply chains. Small- and medium-sized farms often struggle to connect directly with consumers or large retailers, limiting their bargaining power and access to fair market prices. Startups can struggle to navigate these complex supply chains and establish themselves within established distribution networks.



### 3. Lack of Business and Technical Expertise:

Many founders of agri-food startups come from agricultural backgrounds but may lack formal business training or experience. This can make it challenging to develop a strong business model, secure funding, and navigate regulatory hurdles.

#### What are the objectives of the approach?

- ① **Industry Expertise:** Industrial mentors bring **in-depth knowledge** of specific value chains, like climate-resilient practices or innovative technologies. This targeted guidance allows startups to address industry-specific challenges and opportunities.
- ① **Business Acumen:** Business mentors provide **strategic guidance** on areas like financial management, marketing, and scaling operations. This equips startups with the necessary skills to navigate the business landscape effectively.
- ① **Double-Edged Learning:** The model fosters **reciprocal learning**. While mentors offer expertise, startups can introduce fresh perspectives and innovative ideas to established businesses.

The goal is to:

- ① **Grow sustainably:** Business acumen gained through mentorship will empower startups to achieve sustainable growth within their value chains.
- ① **Create jobs:** The success of these startups will create **sustainable income and employment opportunities** for youth in the long term.

Overall, the mentorship programme by Agri Jobs **4 Youth** offers a strategic approach to empower the next generation of agri-food entrepreneurs. By combining industry expertise with business acumen, this programme fosters innovation, resilience, and sustainable growth within the sector.

### Who are we targeting with the mentorship approach?

The mentorship programme targets startups offering products and services that promote the sustainable transformation of the agri-food sector in selected areas of the agri-food system.

#### Which entrepreneurs should receive mentoring?

Entrepreneurs who:

- ① Have an approved and solid business plan or who already have a business running, either in the early phase of starting the business or after having made their first sales.
- ① Have an annual turnover of KES 300k – 1m.
- ① Commit at least 40% of their time to the business.
- ① Have at least 1 person as an employee.
- ① Have been in operation for at least the last 6 months.
- ① Have a willingness/motivation to be mentored and pay for travel.

#### Who are the mentors (industrial mentors and business mentors)?

Agri-Jobs **4 Youth** defines the mentor profiles based on the mentees' profiles and support needs. The characteristics and requirements below serve as a helpful indication to identify the right mentors for the entrepreneurs:

- ① Experienced in business or entrepreneurship issues.
- ① Proactive, with good character, leadership, and credibility.
- ① Honest, responsible, and accountable.
- ① Careful and attentive listener.
- ① Open minded, empathetic, and patient.
- ① Ready to share information, knowledge, and experiences on voluntary basis.
- ① Combines technical and soft skills.



## Success Story

### Phena Kiboi: From Hawker to Entrepreneur

Phena Kiboi, a 21-year-old student at Kibabii University in Bungoma, Kenya, has defied odds to transform her small-scale juice business into a thriving enterprise.

Starting as a hawker to support her studies and family, Phena's entrepreneurial spark was ignited when she joined the Agri-Jobs **4 Youth** mentorship programme. Paired with a business mentor, she gained invaluable insights and practical advice on how to set up and grow her juice business.

Under her mentor's guidance, Phena's business "Phenki Juices" blossomed. She transitioned from street vending to a physical shop, expanded her team to five employees, and embraced digital tools for record-keeping and marketing. With her newly acquired blender and freezer, Phena's refreshing fruit juices are made and stored fresh every day.

As a result of her hard work and some strategic investments, Phena's monthly turnover has soared by 20%. Her business now boasts a healthy profit margin of 40%, generating an average of KES 65,000 per month. The increased revenue has allowed her to invest in essential equipment to enhance efficiency and product quality.

Phena credits her mentor for providing her with the guidance, support, and perspective she needed to succeed. Recognizing the enduring value of mentorship, Phena remains committed to maintaining a relationship with her mentor, even after the formal programme has concluded.

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