



Doing Business in Kenya:
REFLECTION OF WOMEN SMEs 2019

Kenya has made great strides since independence on many fronts such as socio economic development among other areas.

Despite great strides, Kenyan society still holds on to traditional norms that drive gender inequality underpinned on a set of unwritten rules and beliefs which influence and shape expectations and behaviors of people in society.

For example there are unwritten beliefs and rules that define the role of women in society and generally acceptable behavior. Therefore, women experience an unnecessary barrier that cripples their ability and potential to largely participate in the economy.

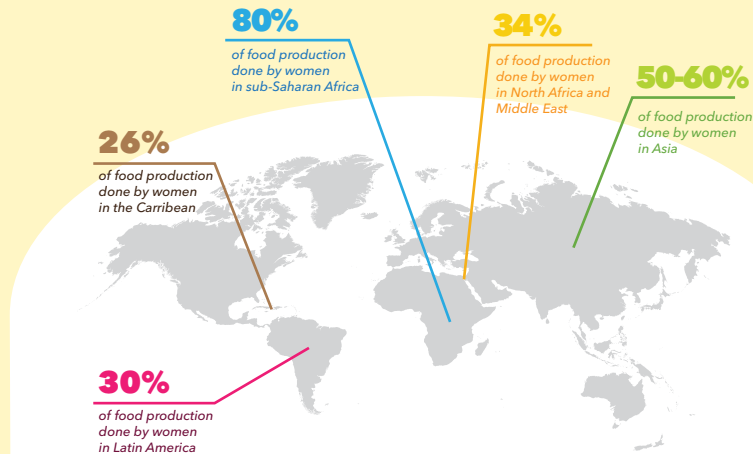
In Africa, women are the backbones of communities and the continent's greatest potential to unlocking economic growth as they provide the majority of labor with least amount of resources. If they are given equal opportunity to men, they can fasten economic growth.

Food Production

By Women Globally

For instance, women produce more than **80%** of food for sub-Saharan Africa, **50-60%** for Asia, **26%** for Caribbean, **34%** for North Africa and Middle East and more than **30%** for Latin America.

Locally and globally, many women have established and successfully managed businesses; however, it is difficult for them to succeed in business.



Viffa conducted the study with the objective to:

- *Investigate the current status of Kenya women entrepreneurs.*
- *Establish economic sectors women are investing in*
- *Establish spending pattern of women entrepreneurs*
- *Establish the main problems that Kenyan women entrepreneurs encounter.*

Top 10 sectors women SME owners invested in are;



Top 6 business financing

01



Retained
Profits

04



Personal
Savings



Bank
Loan

02



Family
and Friends

05

03



Mobile
Credit

06



Chama
Group

Financing Insight

Women entrepreneur with highest education level of Undergraduate financed their business primarily through retained profit, personal savings and bank loans while entrepreneurs with highest education of high school (KCSE) financed their business primarily through mobile credit, chama group and family and friends.

Ease of access to business finance

67.74% of respondents indicated they found it hard to access business financing from financial institutions while 32.26% indicated it was easy to access business financing from financial institutions

SAY ACCESS TO BUSINESS FINANCING IS EASY

32.26%



SAY ACCESS TO BUSINESS FINANCING IS HARD

67.74%



Financial Inclusion Insight

SMEs with turnovers of less than 5M Kes constituting 78.57% of respondents found it most difficult in accessing business finance from financial institutions probably due to lack of collateral and informality of business most of whom don't keep transaction records.

SMEs with turnovers of less than 5M Kes constituted over 70% of businesses that financed their businesses through chama groups, mobile credit, family and friends most probably due to ease of access.

Top 5 business network subscribed

1. Family and friends
2. Professional advisors
3. Internet
4. Association
5. Chama group



Network Insight

All SME respondents irrespective of turnover and education level subscribed to family, friends and chama group.

Top 5 business challenges faced

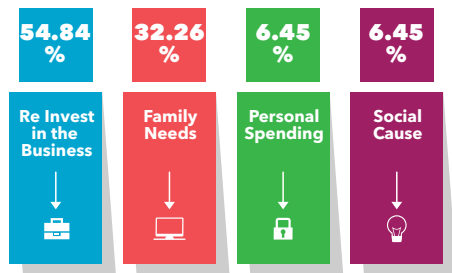


Challenges Insight

Women entrepreneurs in Agriculture indicated lack of information, access to market and finance as their top challenges, women entrepreneurs with annual turnover of less than Kes 500,000 in retail sighted harassment by government authorities as their biggest challenge while entrepreneurs in design, media, entertainment, hospitality, education, tours and travel and real estate had gender based discrimination as their biggest challenge.

Nature of spending of money earned from business

54.84% of respondents re invested in their business, 32.26% used funds for family needs, 6.45% used funds for personal spending while 6.45% used funds for social cause.



Top 5 primary growth strategy for last 1 year

1. Referral from satisfied customers
2. Social media advertisement
3. Referral from family and friends
4. Walk in customers
5. Mainstream media advertisement (Newspapers)

Top 4 future plans for the business



Top 4 Inspiration for starting business



Ease of business-family balance

Ease	Very Easy	Easy	Manageable	Hard	Very Hard
Response	6.45%	25.81%	19.35%	32.26%	16.13%



Viffa Consult

For Further Inquiries contact;
Victor Otieno
Managing Director

Viffa Consult Ltd
Mayfair Suites
Off Parklands Road

P.O.Box 35320 -00200 Nairobi
Tel: 254 723 98 25 28
victor@viffaconsult.co.ke

WWW.VIFFACONSULT.CO.KE