



Viffa Consult



Doing Business in Kenya

Reflection of women SMEs 2022

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Acronyms

SME	Small Medium Enterprises
MSEA	Micro Small Enterprise Authority
GDP	Gross Domestic Product
SACCO	Savings and Credit Co-operative Society

Acknowledgement

Deepest gratitude to Viffa team that worked tirelessly to bring the report to fruition. A big thank you to all women entrepreneurs who participated in the survey as well as key experts who shared their expertise.

Study Methodology

Study Tool	Online & Telephone survey Expert Interviews
Sample Design	Purposive {Counties; Nairobi, Machakos, Kiambu, Kisumu, Mombasa, Nakuru} Random {Within counties}
Sample Size	140

Introduction

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 systemic and cultural 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. For instance women constitute over half of the labor force in agriculture which is the backbone of both Kenya and Africa. If given equal opportunity to men, women can fasten significant economic growth.

Viffa consult conducted its second edition study with the following key objectives:

1. Establish profile of women owned enterprises.
2. Establish impact and challenges faced by women owned enterprises
3. Establish effect of various entrepreneurship stakeholder intervention and product to women led SMEs

Results

Inspiration for starting Business



Sectors Distribution of women led SMEs



Insight

Kenya's GDP is estimated to have contracted by 0.3 per cent in 2020 underpinned on sub optimal performance of accommodation and food serving activities, education, professional and administrative service activities.

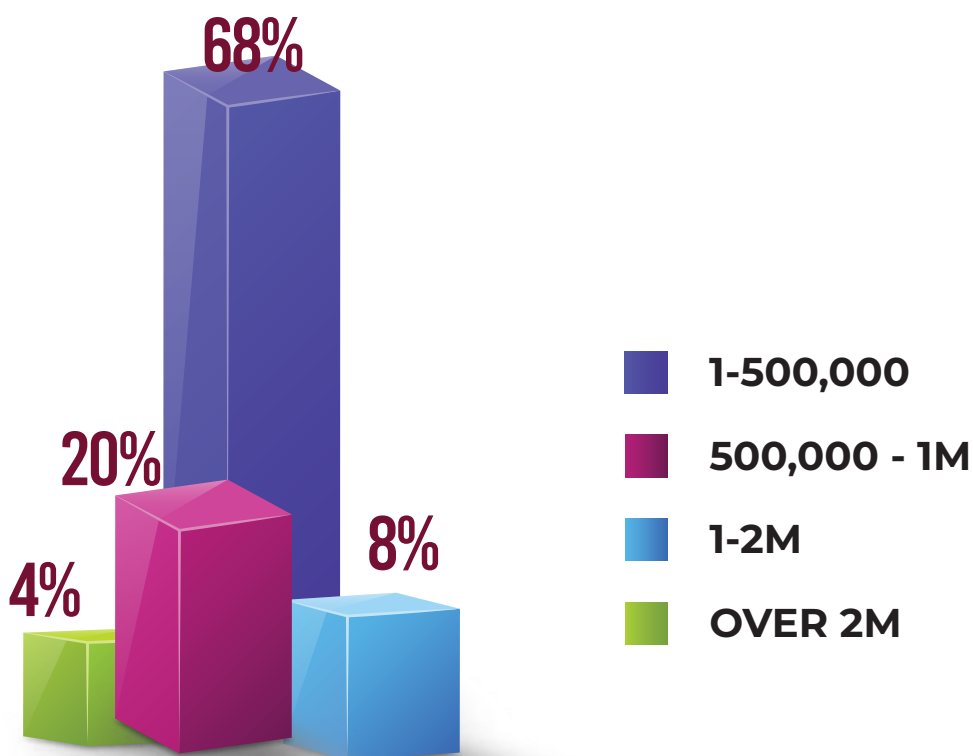
On the other hand further slip of economic performance was back stopped by; agricultural, construction, financial and insurance, and health sectors. Agriculture remained the dominant sector, accounting for 23.0 per cent of the total value of the economy in 2020.

Women make up almost 50 percent of the agricultural labour force in sub-Saharan Africa, an increase from about 45 percent in 1980. The averages in Africa range from just over 40 percent in Southern Africa to just over 50 percent in Eastern Africa (Food and Agricultural organization of UN).

The agricultural sector in many developing countries is underperforming, partly due to women, who represent a crucial resource in agriculture and the rural economy through their roles as farmers, labourers, and entrepreneurs, face more severe constraints than men in access to productive resources.

Efforts by national governments and the international community to achieve their goals for agricultural development, economic growth and food security will be strengthened and accelerated if they build on the contributions that women make and take steps to alleviate these constraints.

Annual Turnover Distribution

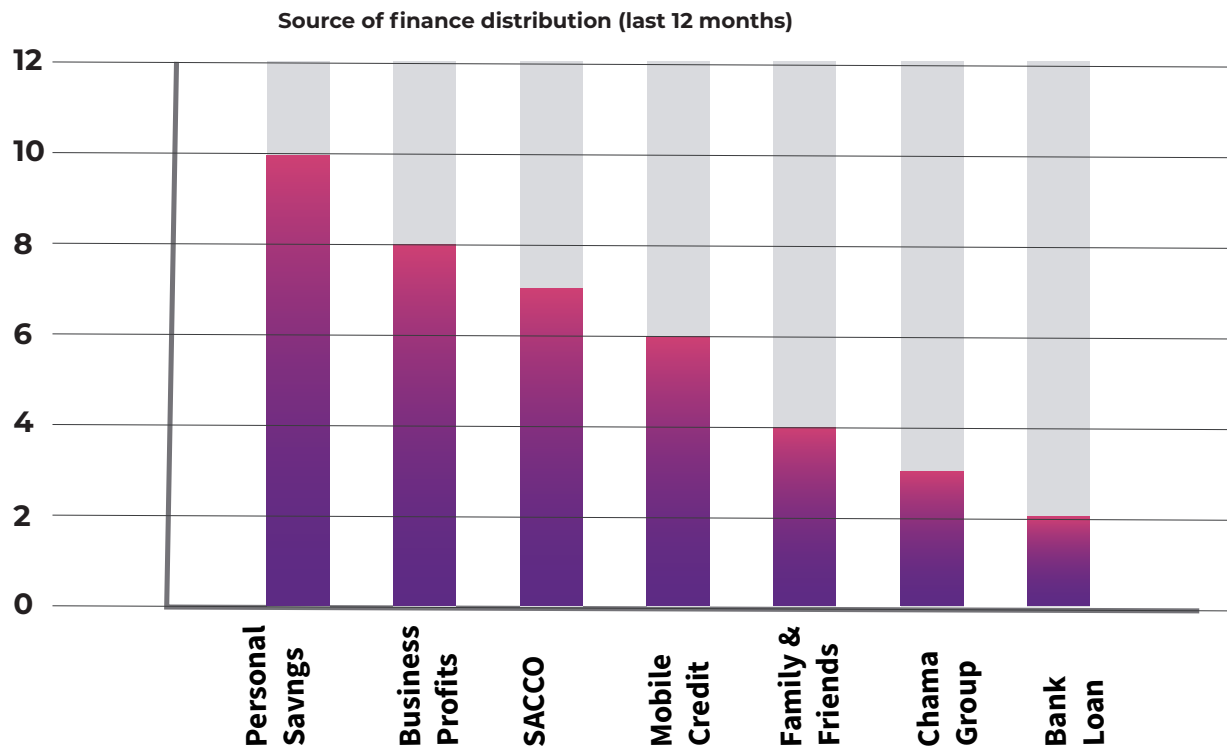


Insight

Majority of women led SMEs (68%) posted an annual turnover of less than 500,000 Ksh with over 88% of these SMEs posting annual turnover of less than 1 M Ksh . This is an 18 percent point increase of women owned SMEs posting a turnover of below 1M between year 2021 and 2022 meaning an increased number of women owned SMEs experienced turnover contraction between 2021 and 2022. This can also be explained as follows in 2021 30 percent of women led SMEs posted a turnover of more than 2 million ksh while in 2022 the figure is 12 percent

Appropriate and pragmatic interventions by state and non-state actors must be put in place to ensure that businesses are able to scale from micro to small to medium sized and finally to large enterprises. Similarly, appropriate incentives and information must be put in place to support formalization of SMEs cognizant that formalization has a correlation with business scaling

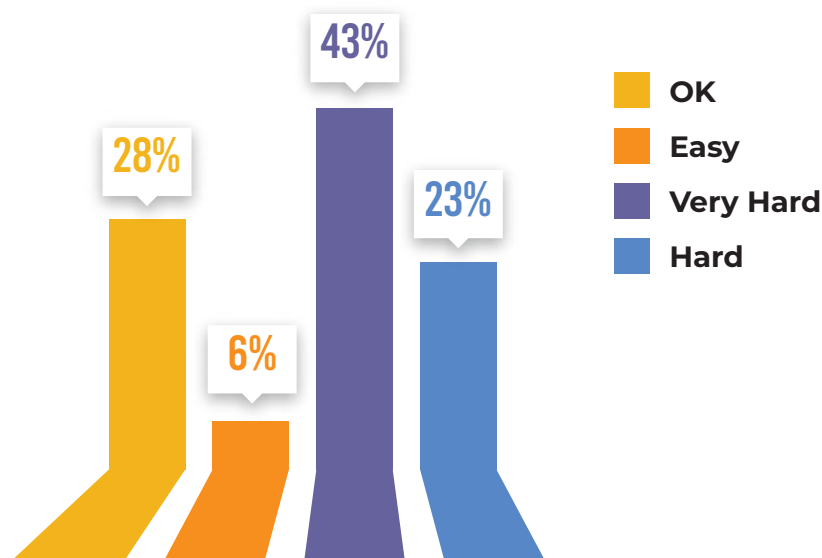
Source of Finance Distribution (last 12 months)



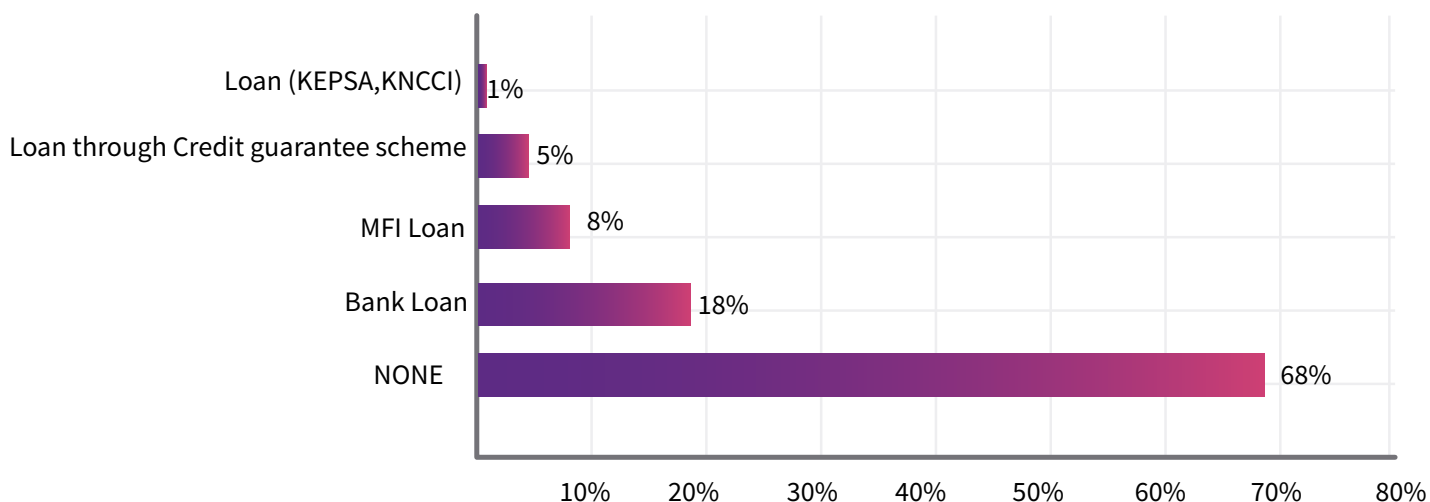
Insight

Personal savings, business profit, SACCOs and mobile credit top as main source of financing for women led SMEs. This poses a challenge to business growth given that these sources of financing can't support investments (e.g machines, technology, capacity building) that can unlock value which most often than not are big ticket.

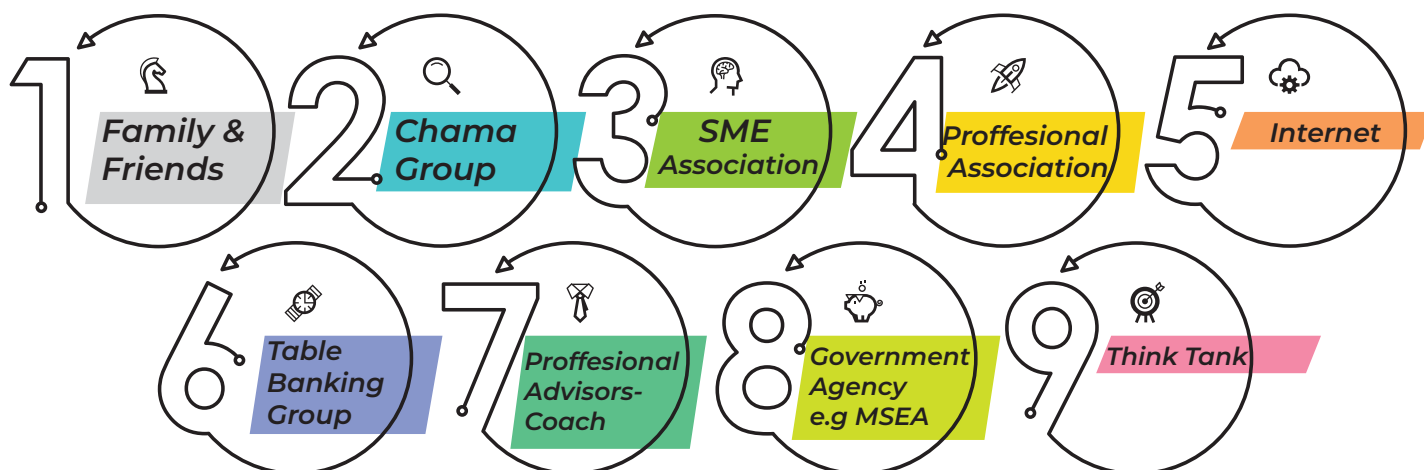
Assessment of access to credit for women entrepreneurs



Access to financial Opportunities (last 12 months)



Business Support Network subscription

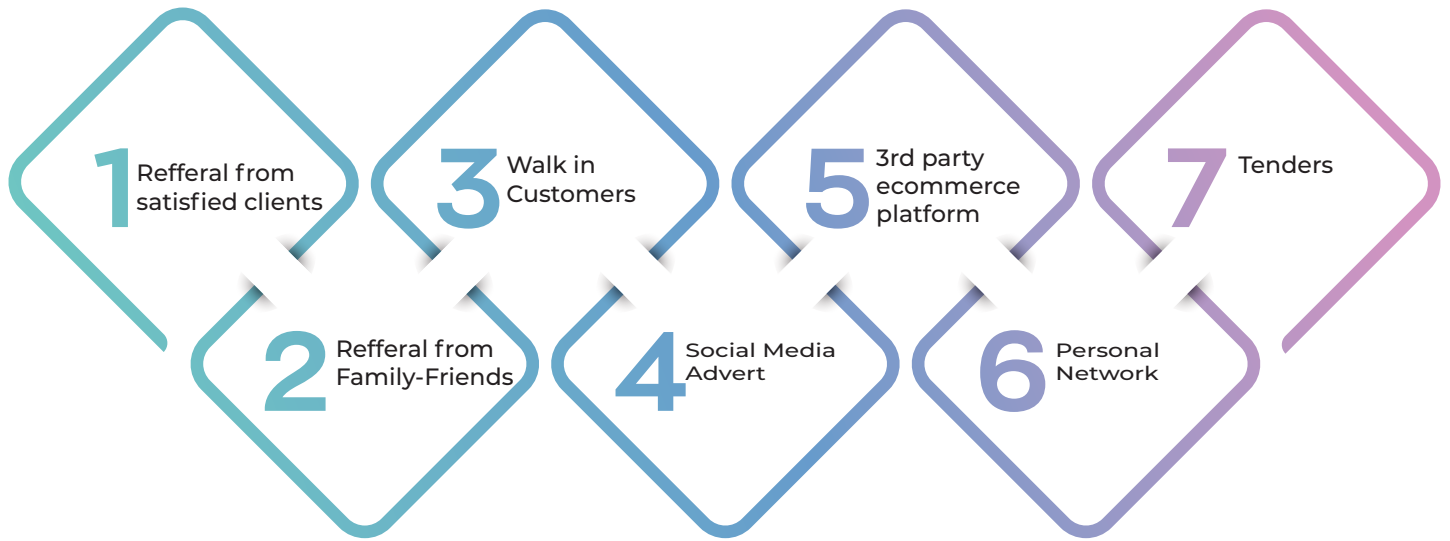


Insight

The top 2 support network of women led business indicate the pattern of women needing to be near the home as they strive to balance family and business especially for women entrepreneurs in manufacturing.

There is need for indepth needs assessment of women led SMEs to establish relevant value proposition in joining a formal network that will allows significant aggregation hence effective data driven policy support and other interventions.

Growth Strategy for the past year



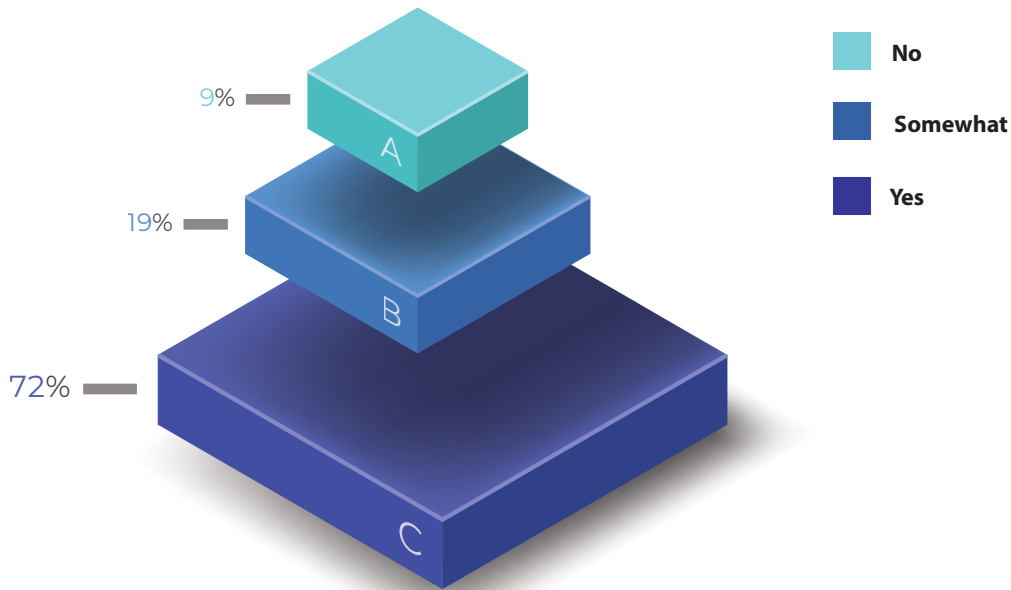
Insight

Women led SMEs rely of solid strategies in growing their business which are cheap but cannot support rapid growth of accessing national, regional, continental and global markets.

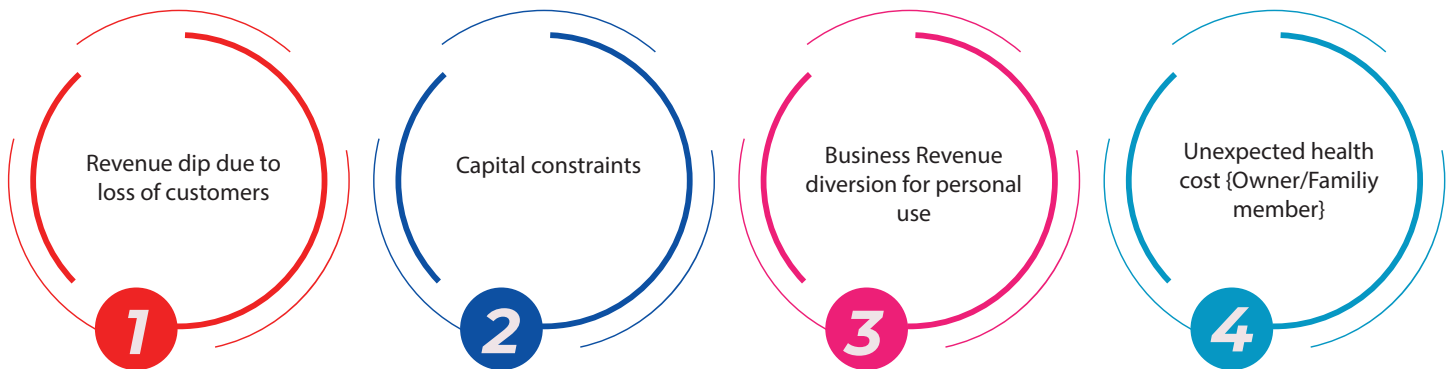
Major challenges faced



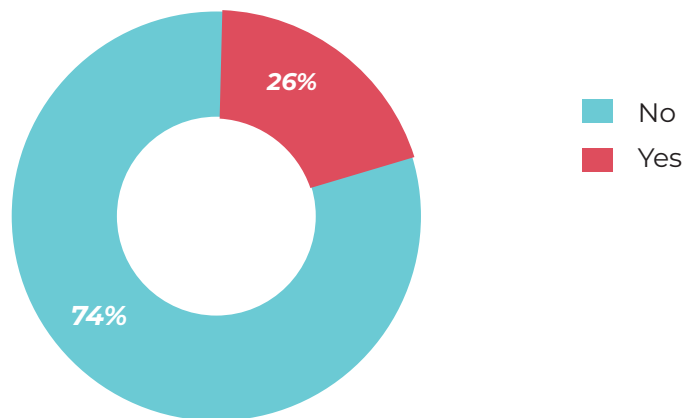
Impact of COVID 19 on Women led SMEs



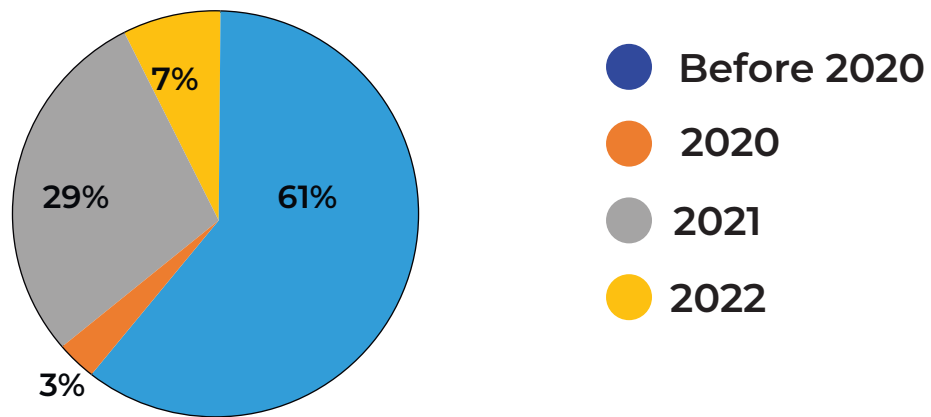
Effect of COVID 19 on Women Led SMEs



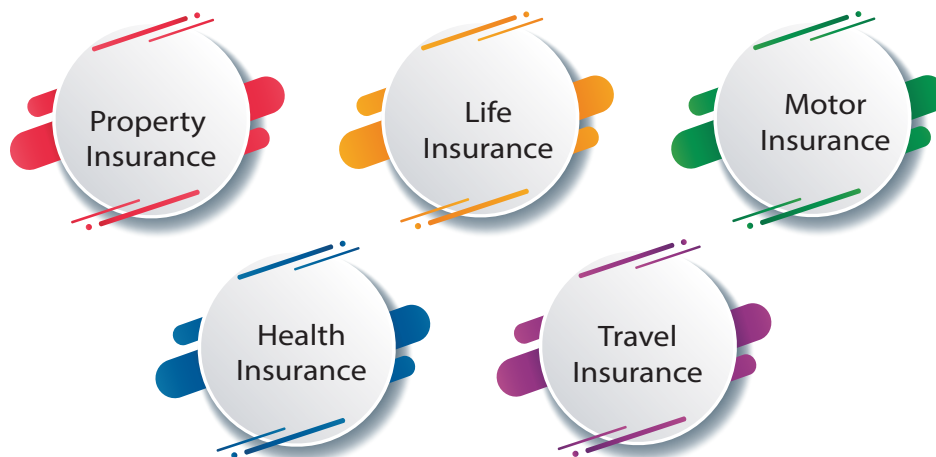
Insurance coverage by women led SMEs



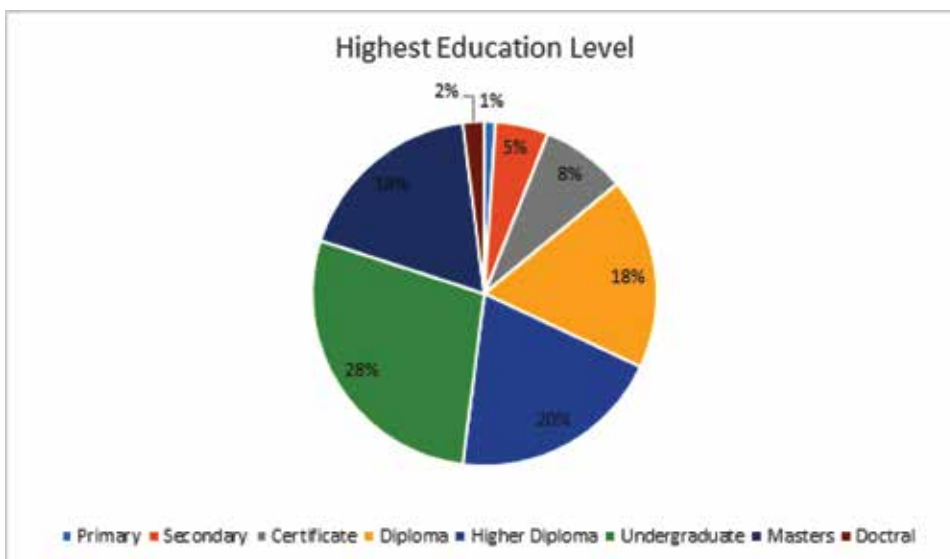
Period when insurance cover was taken



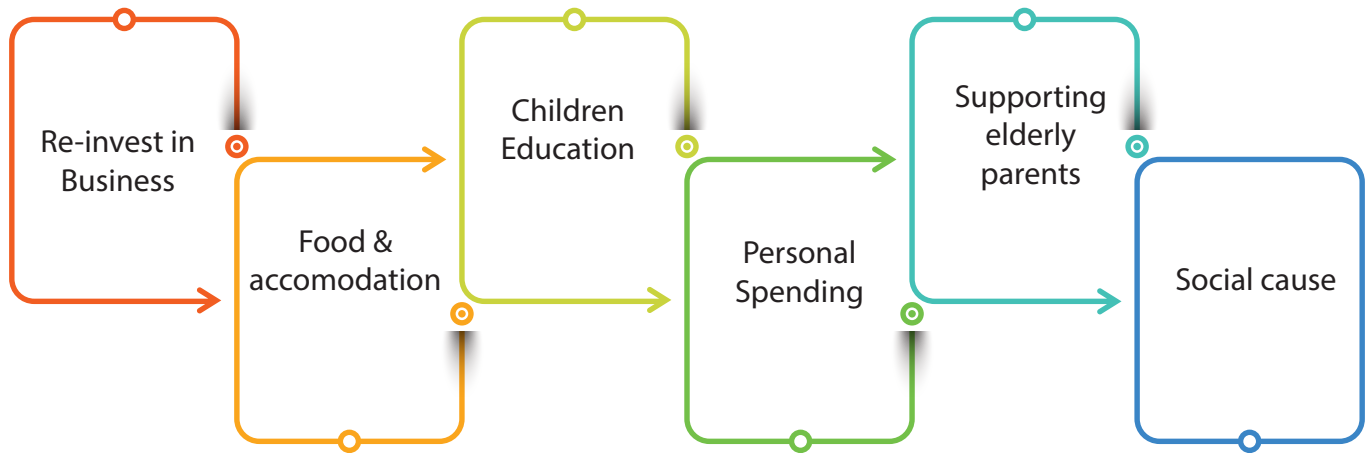
Insurance Products taken



Highest Education



Utilization of funds earned from business



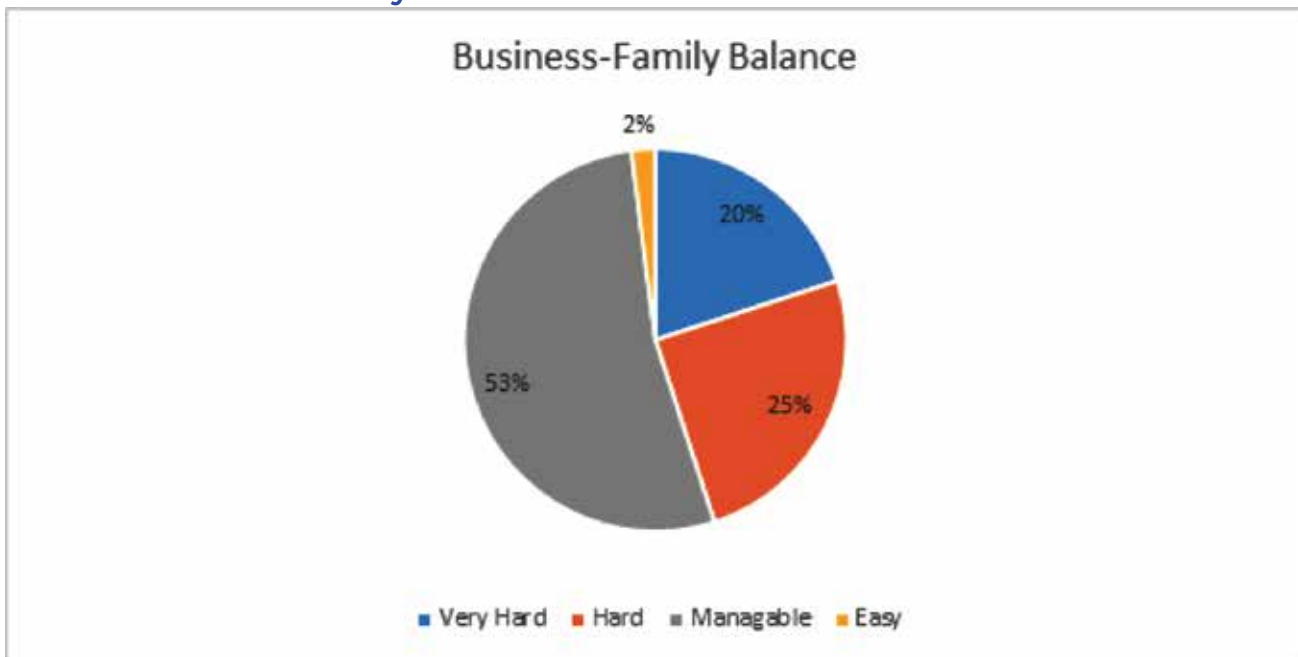
Insight

Women led SMEs have broader impact on the country besides economic contribution of their business to include social impact of funds earned from business being channeled to social causes

Future business plan



Business and Family Balance



Insight

45 percent of women entrepreneur respondents indicated work family balance was challenging for them in 2022 which is a 10 percent point increase compared to 2021 which stood at 35 percent. This further rebuff the negative effect of covid 19 to SMEs but more so women led SMEs who found it even more challenging as they must balance work with family

References

Food and Agriculture organization of the United nations | Role of women in agriculture|ESA Working Paper No. 11-02 | <https://www.fao.org/3/am307e/am307e00.pdf>

Viffa Consult limited
www.viffaconsult.co.ke
One padmore place
George padmore Road
info@viffaconsult.co.ke
Tel +254 723982528



Viffa Consult