

SME IMPACT INDEX 2018



There is a growing global concern for sustained development which is a concern shared by Kenya who is among the member states that adopted the Sustainable Development Goals.

The **Sustainable Development Goals (SDGs)** were adopted by the United Nations member states in 2015 and are supposed to be achieved by 2030.

According to the SDG Index and Dashboards Report 2018, Kenya ranked 119 globally with a score of 56.8.



Kenya's progress on the SDG index is currently anchored on the Big Four agenda whose focus is: universal healthcare, food security, manufacturing, and affordable housing.

The achievement of the SDGs depends heavily on deliberate and coordinated action to be taken at the two levels of government. Further there is need to develop a framework with necessary tools and clear processes for data flow from local level to national level for further analysis and reporting.

The Kenyan SME sector plays a critical role in modern Kenyan society; constituting 98% of all businesses, creating 30% of jobs annually as well as contribute 3% of the GDP.

The SME sector provides a different paradigm in terms of monitoring and reporting achievement of the SDGs over not covered in the Big Four Agenda.

Role of SMEs in modern Kenyan society



**Constitute
98% of all
businesses**



**Create
30% of
jobs annually**



**Contribute
3% of the
GDP**

Viffa Consult seeks to explore the contribution of Kenyan SMEs to achievement of the SGDs with the aim of feeding into Kenya's SDG index. The survey results are as follows:

Company Turnover

46% of SME respondents posted a turnover between 0-5 Million, 15% between 6-10 Million, 23% between 11-30 Million and 16% over 30 Million.



Governance

65% of SME respondents indicated that the highest level of corporate oversight was owner manager, 23% had board of directors while 12% had advisers



50% of SME respondents indicated the company was audited by an independent qualified auditor in the Financial Year ending 2017 while 50% had no audited financial statements.



58% of SME respondents indicated that the company financial data cannot be accessed or viewed by employees while 42% indicated that financial data can be viewed and accessed by employees.

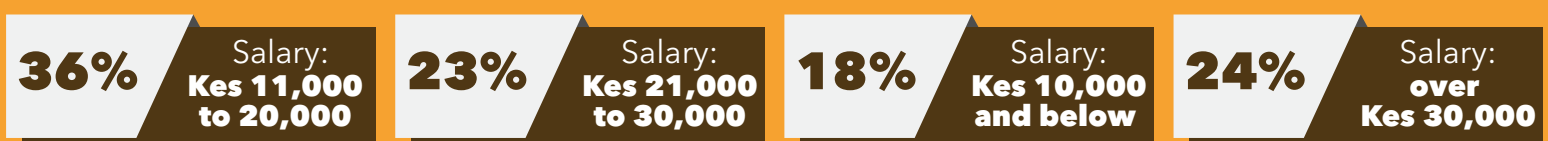


Workers

46% of SME respondents indicated that they employ between 1-5 people, 23% employed 6-10 People, 23% 11-50 people and 8% over 50 people



35% of SME respondents indicated that they pay an average monthly salary of between Kes 11,000-20,000, 23% Kes 21,000-30,000, 18% Kes 10,000 and below and 24% over Kes 30,000



Community and Environment

73% of SME respondents indicated that they employed new hires from their local community in 2018 while 27% indicated they didn't hire new employees.



62% of SME respondents indicated that they consider marginalized and or minority groups when hiring new staff while 38% did not take the same into consideration.



35% of SME respondents indicated that women constitute less than 10% of their workforce, 15% had between 11-20%, 19% between 21-30%, 21% between 31-50% and 10% over 50%



64% of SME respondents indicated that they had a written vision and mission statement while 36% had no written vision and mission statement



Of the SME respondents that had a written Vision and mission statement; 70% indicated that their mission statement had a commitment to alleviate social challenges in society while 30% indicated that mission statement had a commitment to address environmental issues.



42% of SME respondents indicated that they have corporate social responsibility towards offering educational sponsorship to needy students, 42% contribution to the needy such as orphanages, hospices among others, 4% supporting TVET, 4% helping street children, 4% providing transport to underprivileged school going children



Conclusion

Kenyan SMEs contribute towards achievement of the following SGDs

SDG

SME Contribution

SDG 5 Gender Equality

Employment of women

SDG 8 Decent work and economic growth

Employment of new hired from local community

SDG 10 Reduced inequality

Employment of marginalized or minority groups and appropriate compensation of employees
CSR targeting orphages, street children and education to needy students



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