



State of

**COACHING AND MENTORSHIP**

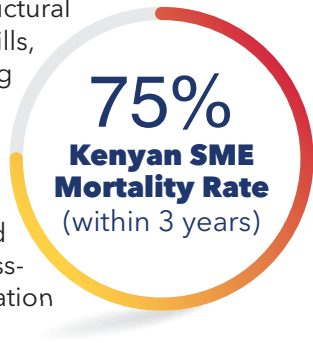
on Kenyan SMEs

**2019**

Kenyan SMEs experience a relatively high mortality rate of over 75% within three years of inception according to Kenya national bureau of statistics. The mortality rate of Kenyan SMEs is attributed to challenges in access to finance, access to markets, policy gaps, infrastructural challenges, lack of management skills, lack of information and rapid changing technology among others.

Kenyan entrepreneurs are increasingly using the services of business coaches whether trained or not and mentors to help them run their businesses effectively and narrow the information and management skills gap.

Coaching in this context is the delivery of either structured or unstructured one on one support mostly by having formal or informal conversations by either trained or untrained professionals to enable an entrepreneur achieve organizational goals and achieve their full potential.



Unlike formal training which demands scarce resources from entrepreneurs in terms of finances and time to up skill on management and access to information; coaching-mentorship has become a viable alternative for entrepreneurs to up skill and bridge information gap.

***Viffa conducted a study between 18th-30th July 2019 to establish the role business coaching and mentorship on SME development in Kenya.***

## **Objectives of Survey**

**01**

**Do Kenyan SME owners have coaches and mentors?**

**02**

**Nature of relationship between entrepreneurs and coaches/mentors**

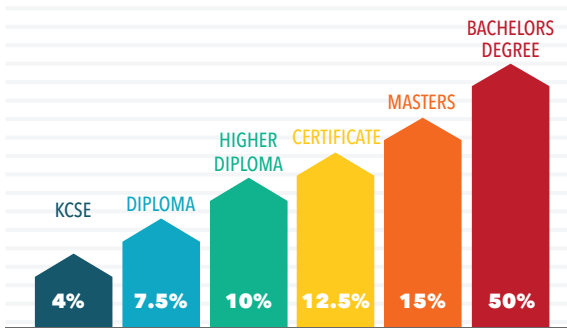
**03**

**Effect of business coach-mentor to business growth**

## Survey Results

### Highest Education Level

**50%** of respondents indicated that a Bachelors Degree was their highest education level, **15%** indicated Masters Degree, **12.5%** indicated certificate, **10%** higher diploma, **7.5%** diploma and **4%** KCSE.



### Relationship Between Education and Business

**42.5%** indicated that their education was related to their business, **32.5%** indicated there was no relationship between their education and business while **25%** were not sure



## **Top 9 Support network subscribed to**

1. Mentor (Family and Friends)
2. Mentor (In the same industry)
3. Mentor (Chama Group and or association)
4. Trained Business coach
5. Business consultant
6. Board of directors
7. Untrained business coach
8. Internet
9. Business Hub

### **Insight**

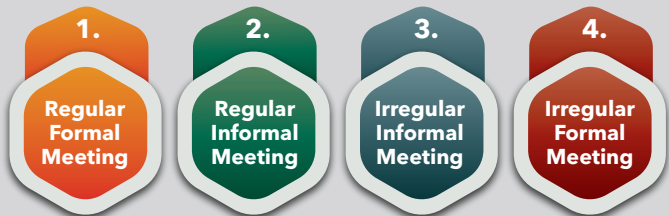
SMEs with annual turnover of less than 500,000Kes; constituted over 70% of subscription to Mentor (Family and friends), Mentor (In the same industry) and Mentor (Chama group). Further the SMEs had irregular informal meetings

SME respondents that indicated no relationship between their education and their business with an turnover of over kes 5M subscribed to business consultant, internet and untrained business coach with SMEs with an annual turnover of over Kes 10M; subscribing to Trained Business coach, business consultant and board of directors.

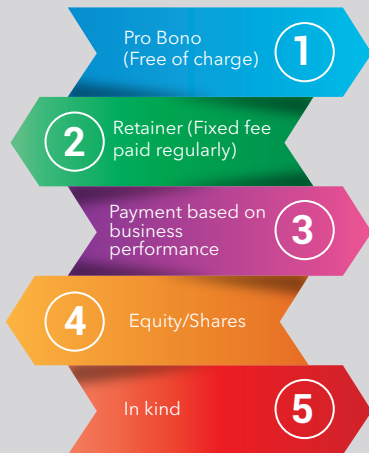
SMEs who indicated no relationship between their education and business that subscribed to business consultants and trained coach had regular formal meeting with retainers and remuneration based performance.

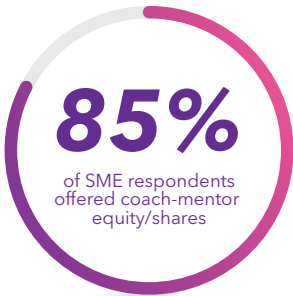


## ***Top 4 nature of engagement with coach-mentor***



## ***Top 5 remuneration models of coach-mentor***

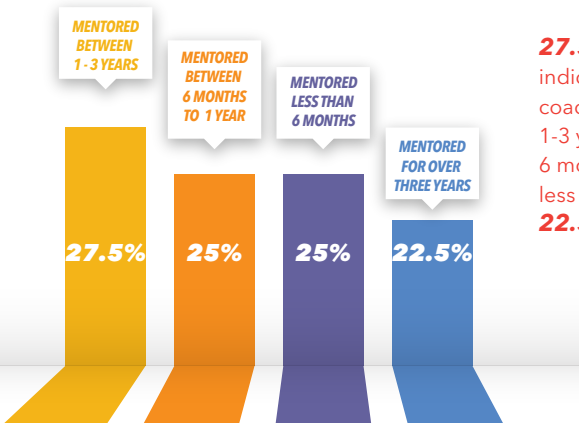




## Remuneration Insight

SMEs with annual turnovers of less than Kes 500,000 in IT constituted over 85% of respondents that offered coach-mentor equity/shares

## Length of time SME has had a Coach-Mentor



**27.5%** of respondents indicated they had their coach-mentor between 1-3 years, **25%** between 6 months -1 Year, **25%** less than 6 Months while **22.5%** over 3 years.

## ***Top 7 Effects of coaching-mentorship to business***

1. Improved leadership and management skills
2. Effective business planning
3. Improved business network
4. Improved profits
5. Improved innovation
6. Improved organization culture
7. Improved employee productivity



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