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A Mentorship Guide

Mentor-Driven Capital for Entrepreneurial Success in Africa



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Foreword



Start-up mentoring is both a win-win partnership and a double challenge for mentors and their mentees. In the best-case scenario, mentoring partnerships result in life-long personal and professional relationships connecting experienced leaders and innovative start-up founders. In the worst case, a thousand little pitfalls ruin the good will, money and time invested. In short, there is a lot at stake, and a lot to win.

Make-IT in Africa promotes digital innovation in sub-Saharan Africa for sustainable and inclusive development. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH implements Make-IT on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) as part of the Digital Africa Initiative.

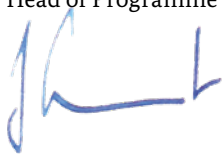
We believe that mentoring is a crucial building block for empowering African tech entrepreneurs to create their start-up and grow their businesses successfully. Digital companies are the driving force behind Africa's digital transformation. Local entrepreneurs, in particular, find innovative solutions to development challenges. Their work has positive social impacts and creates new employment prospects with great potential for the future. Nevertheless, many young tech start-ups in Africa fail to achieve success because they lack access to a network of experienced partners that can guide the way to investment and business experience, and offer the support required to strengthen a founder's leadership skills.

Mentors have the potential to make a real difference here. In their careers, they have built up strong networks and learned to ask the right questions. In mentoring partnerships, they share their time and expertise, make introductions to their network and possibly invest seed money into the companies they support. 'Mentor-driven capital', in particular, helps to unlock the African continent's entrepreneurial potential.

This guide aims to create powerful mentoring partnerships. Therefore, we have reached out to more than thirty individuals and companies to share their lessons learnt and provide recommendations to future mentors and mentees. The team at VC4A were especially helpful in sharing their views as experienced partners in the mentoring landscape of East and West Africa. Many thanks also to Stephanie Wiedner and Gideon Berhane for proofreading and final editing.

We will frequently update this guide, complement it with an online version and continuously improve the methodology based on your feedback. So please, do not hesitate to contact us via make-it@giz.de

Dr Jan Schwaab
Head of Programme





Tech Entrepreneurship Initiative Make-IT in Africa

Make-IT in Africa promotes digital innovation for sustainable and inclusive development in sub-Saharan Africa. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH implements this project on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

In collaboration with more than 20 corporate and financing partners, social enterprises, hubs and networks, 'Make-IT in Africa' strengthens an enabling environment for young tech entrepreneurs, – to provide better access to finance for growth, international markets and entrepreneurial skills.

More information and contact:

www.make-it-in-africa.org



VC4A: Vision on Mentor-Driven Capital

At VC4A, entrepreneurship is seen as a key driver for the continent's continued development. Entrepreneurship can and should be a main driver in Africa's economic growth, as entrepreneurs have the potential to implement innovative solutions that create jobs and transform the communities and economies in their countries.

In collaboration with a growing network of partners, the VC4A community of entrepreneurs, mentors and investors plays a central role in bolstering the entrepreneurial ecosystem across the continent, and offers a direct channel for anyone serious about being part of Africa's success stories.

Mentor-driven capital creates value for start-ups by sharing the knowledge, experience and network you've built up during the course of your career, while maximizing the return on investment.

VC4A believes mentor-driven capital is core to unlocking the continent's potential. Not only is the pool of entrepreneurial talent coming up across Africa expanding; the number and the quality of ventures is also improving over time. These companies represent a powerful collection of innovations, products and services that have the potential to transform every industry. Mentor-driven capital has a critical role to play in making this happen.

VC4A's inspiration comes from the entrepreneurs bold enough to start great companies that have the potential to change the world. 'Mentor-driven capital' – where hard capital (money) and soft capital (time, expertise and network) are combined – will make these companies thrive.



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Introduction

Africa's increasing economic momentum is being fueled by a growing number of entrepreneurs and their ambition to transform the continent. It is imperative to seek out the collaborations and partnerships needed to bring together the capital, knowledge and networks these entrepreneurs require to succeed. This is where mentors for entrepreneurs have a pivotal role to play.

According to recent research, “mentoring has become an essential factor in entrepreneurial success because mentors can help entrepreneurs overcome setbacks they commonly face in the early stages of their ventures. Yet despite its importance in helping entrepreneurs build a profitable venture, the full potential of mentoring relationships is rarely realized.”¹

Maximizing the potential of mentoring relationships to foster greater mentor-driven capital throughout Africa and beyond is precisely what this mentorship guide aims to support.

With booming economies and start-up ecosystems to be found from Morocco to South Africa, and from Senegal to Kenya, there are many opportunities for aspiring and existing mentors to support budding and accelerating companies as they look to grow and have an impact.

1 http://www.enterpriseutures.org/wp-content/uploads/2017/10/Mentoring-in-Startup-Ecosystems_UofMich_EFN_103007.pdf

Who should use this guide

Are you a successful entrepreneur, business professional or angel investor, and do you have considerable expertise to offer, as well as interest in guiding entrepreneurs yourself? Would you like to become active as a mentor to support developing entrepreneurs in their efforts to build new companies, particularly throughout Africa?

Then this guide is for you. This is a collection of materials focused on one-on-one mentoring that can help you start as a mentor and guide your journey.

Experienced business mentors have the professional and industry knowledge, expertise and networks that can open up the gateways to accessing capital. The African start-up ecosystem will not realise its potential without robust active networks of quality mentors.

*VC4A research*² shows a clear relationship between venture performance and the support these ventures received from the start-up ecosystem. For example, companies raised more capital (USD \$210,000 on average) with ecosystem support vs. just USD \$84,000 without ecosystem support. Those with support were also more likely to generate new jobs. This is significant when considering that 60% of the new jobs created are for individuals under the age of 36.

Considering this impact, and given the continent's growing population, mentor-driven capital has a critical role to play in supporting the continent's entrepreneurs. It is also where a good business angel can make the difference between venture failure, survival and success.

Chapter 1 of the guide focuses on the overall mentorship process, from how you can start it, through to ending a mentorship. We highlight the role of a mentor, distinguish between the roles of a mentor, adviser, business angel and more, and address what you can expect in a mentor-mentee relationship, complete with insightful quotes from real mentors, helpful checklists and quick tips.

Chapter 2 explores mentoring an entrepreneur in more detail - from the main challenges an entrepreneur faces to specific issues that you may assist with, such as fundraising or corporate partnerships. As in *Chapter 1*, we provide a number of useful checklists, do's and don'ts, and questions you can ask an entrepreneur as a mentor.

At the end of this guide, you will find a list of practical resources to support you in your role as a mentor and business angel.







Chapter

General Mentorship Process



Chapter I:

General Mentorship Process

1.1. What is mentoring?

Do you have someone in your life who helped you either on a personal level or on a business level? Someone you went to regularly, or perhaps still go to, for advice and support on a number of issues? Did they do it because they like to give back without necessarily expecting anything in return? Then that person was, or is, a mentor.

The entrepreneurial journey can be a lonely one. Founders deal with many pressing issues. Many of them do not have the depth of leadership or industry experience to make impactful decisions and personally grow, so that they can grow their business.

A mentor is a trusted guide with knowledge and experience an entrepreneur can leverage to navigate their entrepreneurial journeys. Many quality mentors have walked the same path, or a similar one, and can provide insights and counsel to give entrepreneurs useful perspectives while making critical decisions.

**CHARLES OJEI**

CEO Hybr Group and active mentor

“A mentor provides an outsider perspective and opens an entrepreneur’s eyes to the possible decisions he/she can take.”

1.2. Distinguishing between a business mentor, an adviser, a coach, an angel investor, an investor and a business angel

A business mentor is a more skilled, experienced and trusted individual who is willing to share their knowledge, skills and experience with someone who is at the beginning of their career as an entrepreneur, in a trust-based one-on-one relationship over a period of time ranging from a few months to a few years. The focus of the mentoring is directly on the individual entrepreneur’s growth vis-à-vis the business he/she is building. The issues the mentor provides support with can be wide-ranging (broad scope) and morph over time as the mentee³ and the business develops and the issues he/she faces change.

³ The terms ‘entrepreneur’, ‘founder’ and ‘mentee’ are used interchangeably in this guide.

**TOMI DAVIES**

Co-founder of Lagos Angel Network, President of the Africa Business Angel Network and active business mentor, philanthropist, investor and adviser

“A business mentor does not get involved in the operational workings of the company, but rather focuses on guiding the entrepreneur on an individual level to drive the success of his or her own company.”

Any impact on the business that may happen as a result is an extension of the mentor's support, and proof of how it helped expand entrepreneur's capacity to operate the business. A business mentor usually offers his or her guidance free of charge. However, it should be noted that a commercial relationship, including an angel investing relationship, between the mentor and mentee is not precluded by a relationship which begins as a mentorship.

An adviser provides his/her expertise regarding specific issues (more narrow scope) of the company following a commercial agreement and contract. The adviser advises an entrepreneur, his or her team, the board and so on, offering suggestions at a more involved level related to the business operations and performance. The adviser may or may not have personal experience in starting or running a company.

A coaching role is similar to the role of a mentor but, in contrast to the mentor, provides support to an entrepreneur on a specific skill or area of need (narrow scope). The relationship usually ends when that specific skill is mastered by the person being coached. A coach may or may not have personal experience in starting or running a company. A coach can also be paid.

An angel investor (or business angel) offers hard (money) and soft (time, expertise, and network) capital support to the entrepreneur (mentee) who is responsible for building the business structure that will carry the idea.

An investor invests hard capital (money), often without offering the entrepreneur soft capital (time, expertise, and network). This is not necessarily an issue if both parties are up front about this at the start of the relationship to manage expectations. Mentor-driven capital is the combination of both, and is what defines the business angel.

What is a business angel?

A business angel is both a mentor and an angel investor. It is an individual who invests time to mentor, as well as personal capital in a seed or early stage company.

Business angels invest their personal capital, which is made up of:	...and get their “Return on Investment (ROI)” from:
<ul style="list-style-type: none">• Time – Mentoring & Advising Industry, Sector & Segment Expertise; Specialisation; Skills; Experiences• Relationships – Access Business & Personal Networks; Events, Phone & E-mail; Online & Social Media• Money – Funding Equity, Shareholding Debt, Notes <p>In... start-up & scale-up companies</p>	<ul style="list-style-type: none">• Keeping up with the business world through exposure to entrepreneurs• Practicing entrepreneurship without responsibility• Experiencing the joy of giving back to society• Exchanging thought leadership in panels, speaking and judging competitions at events• Enjoying the social side of angel investing in an ecosystem• Receiving average annual returns of about 25% from a carefully selected and managed portfolio over the long run.





BUSINESS MENTORING IN A NUTSHELL

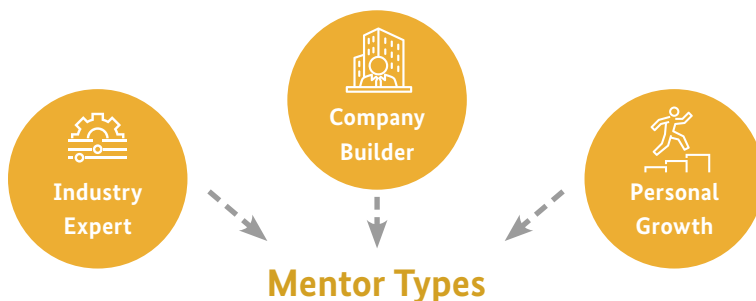
- Focuses on the individual
- Trust-based
- Can be broad in scope, covering a number of topics over time
- Duration can be several months to several years
- Is generally unpaid, but it is possible it can transform into a commercial relationship (mentor-driven capital)

1.3. Deciding to become a business mentor

Maybe it's your first time mentoring, or maybe you have been a mentor before. Perhaps you've even had a mentor yourself. The decision to become a business mentor should be guided by your ability to commit the time and energy to an entrepreneur. Keep in mind that you can set the boundaries and expectations around this, but it is advisable to decide whether you are willing and able to make the commitment.

It's important to think about what kind of mentor you will be. In general there are 3 different types of mentors:

1. Industry expert: Specific knowledge about an industry/sector
2. Company builder: General knowledge about building companies
3. Personal growth: Motivator, supporting with leadership issues



What exactly does it take to be a business mentor? Read the chief characteristics we have identified below.

4 CHARACTERISTICS OF A GREAT BUSINESS MENTOR



1. You possess a wealth of knowledge and experience

Perhaps you are a successful entrepreneur yourself, or a business professional with years of industry experience. Or maybe you have significant functional expertise (i.e. in law, finance, etc.), or experience as an investor. Whatever your background is, you are considered a leader in your field--you have a depth of knowledge and expertise and wish to share it with entrepreneurs.



2. You're a giver

You are willing to commit your time and energy to being a mentor. You enjoy giving back to others without the promise of receiving something in return. You take your commitment to a mentee seriously and carve out the time in your busy schedule to make yourself accessible to provide guidance to the mentee over a period of time.



3. You have a passion for seeing others develop and grow

You like working with other people, sharing your insights with them, and getting a kick from seeing that light bulb in someone's head go on when the information clicks. You like to encourage others, see people at their best and be a part of their development and success, particularly so if you're an angel investor.



4. You are driven to make the world a better place

Entrepreneurs are trying to solve problems that make our lives a bit easier, whether it be in tech, health, agribusiness or any other sector. You share their motivations and philosophy for change and are genuinely interested in the start-up ecosystem and the sector in which the mentee is working.





DR. LAILA MACHARIA

Group mentor, serial entrepreneur and angel investor

“I consider mentorship as a way to walk with somebody on their journey to becoming a better person, a better entrepreneur. As an entrepreneur, I’ve made some pretty big mistakes myself. I’ve taken detours and failed along the way. So, a large part of mentoring – for me – is about sharing those stories and experiences to save others that time or those resources wasted.”

Two-way street

Mentoring is a two-way street; it is a mutually beneficial relationship. An entrepreneur needs advice and support, but you have an interest to support their efforts and can gain from the relationship as well. Mentorship is a tangible way to contribute to the creation and success of new companies while taking an active role in supporting an entrepreneur’s efforts. Read our list of the main benefits you can find in a mentoring relationship.

TOP 7 BENEFITS FOR YOU AS A MENTOR



1. Access to new ideas

You stay in touch with the latest developments in the entrepreneurial ecosystem and particularly in the markets and sector in which the mentee is working. As a result, you can expand your own knowledge base, which may be both personally and professionally exciting and useful.



2. Enhance your own career and professional network

You don't just come into contact with the mentee, but also many others in his or her network through introductions, which in turn connects you to even more people. Your social capital expands.



3. Learn about potential investment opportunities

Following from #1, the access to new ideas and the latest development is really handy when scouting for investment opportunities as an angel investor. You get insights into sectors and companies which you may not have gotten otherwise.



4. Develop your own skills

From mentoring, you grow your own skills as a communicator and as a leader, thereby enhancing your own personal capacity as a leader of leaders. The more mentees you mentor, the sharper your skills become.



5. Personal and emotional satisfaction

The chance is that, as a mentor, you've achieved a high level of success yourself, but you likely didn't get there alone. When you reach a certain level and age in your life, it may bring you personal and emotional satisfaction to give back by sharing your insights and experience with others, to help others succeed, like you.



6. Become a talent magnet

If you are a good mentor, other promising founders will find you. You become a talent magnet and if you are an angel, having good mentoring skills means you can attract good founders for your investments as well.



7. Develop new friendships

While you cannot expect that every mentee will become a close confidant or friend, there is a chance a relationship can evolve into a friendship after so much time talking and sharing. Whether a mentoring relationship turns into a friendship is your choice and is a boundary you can think about before entering a mentoring relationship.

1.4. What does a business mentor do?

As a business mentor, you can potentially mentor anyone starting and running a business—from an entrepreneur starting up, to one who wishes to scale, or a founder running medium and large-sized enterprises.

Being a business mentor is, first and foremost, about getting to know an entrepreneur well enough that you can ask relevant questions to help guide the mentee along the way. As a mentor, the questions you ask and the advice you offer depends on what the entrepreneur specifically needs and seeks from you relative to the stage that he/she is at in the entrepreneurial journey.

For example, entrepreneurs with highly technical backgrounds may lack managerial experience and need guidance in that area. Or perhaps the mentee's company needs to fundraise and would like support on where and how to start. You can ask questions, or recommend articles and other resources that lead the entrepreneur in the right direction so he/she can make good decisions. Business mentoring is about introducing a bit more rigour and discipline into the way the entrepreneur is running the business by acting as a 'friendly pest', and encouraging them along their journey.





JOEL PATENAUDE

Experienced business leader, active mentor and angel investor of entrepreneurs across Africa and the US

“What shows me rigor in an entrepreneur’s approach are monthly financials, regular phone calls and evidence of consistent business development. A mentor has to be a friendly pest – Where are the financials?, When is our next Advisory Board call?, Where is the revenue?”

At the same time, the mentee should own the mentoring process and prepare for every session adequately, for example by sending any information or questions in advance to the mentor before a mentoring session.

As a business mentor, you can ask probing questions, you share advice and information, you are a network enabler, you are a role model, you are a sounding board, a guide, a partner, an advocate, and more.

Mentor-Driven Capital – Mentor and Angel Investor in one

Maybe you came into mentoring as an angel investor, or perhaps you were first a mentor and now want to become an angel investor in your mentee's promising company. The role of the angel investor has been evolving over the past years and mentorship is often rather interwoven into the role, since of course as an investor you have an interest in seeing your mentee and his or her company grow and succeed. Through mentoring, business angels offer more than just money. Mentor-driven capital is creating value for start-ups by sharing the knowledge, experience and network built up over the course of a career, actively supporting founders to maximize the return on investment.

Since capital is only one aspect, a mentor-driven capital approach also uses mentorship to guide entrepreneurs to success. Among other benefits, having an experienced angel investor as a mentor in a company can increase the credibility of the company, ignite growth, and lead to more investment through network contacts. You can maximize value and improve the chances of a successful investment outcome, which is in both your and the mentee's interest.

Mentor-driven capital has a critical role to play in supporting the continent's entrepreneurs. It is also where a good mentoring business angel can make the difference between venture failure, survival and success.





GERALD OTIM

Co-founder of Ugandan fintech company Ensibuuko, which is helping of agriculture cooperatives transition to paperless banking and become more efficient, using a cloud-based and mobile money-enabled software platform.

“When you as an entrepreneur ask for investment, you get advice. When you ask for advice, you might end up with an investment.”



DEPENDING ON THE MENTEE'S NEEDS AND STAGE IN THE ENTREPRENEURIAL JOURNEY, YOU MAY:



Share industry information and business knowledge

You can share your specific knowledge, experiences, and wisdom in your field(s) of expertise, whether it be in tech, finance, health, energy, communications or any other industry the specific entrepreneur and company is working in and needs support with. You can share resources in the form of articles and point them in a good direction.



Advise on goal setting and planning

Some start-ups or companies may need support with defining and planning their goals as these change over time with entrepreneurial progress. As a mentor, you can provide support in helping them to ask probing questions and to brainstorm goals and how they might be achieved.



Serve as a challenging thinking partner and sounding board

In your role as a business mentor, you cannot underestimate the value of simply thinking along with the mentee. You know the saying, “two heads are better than one”? It’s true. Being able to think along with someone, and to act as a sounding board, can be of real value to entrepreneurs starting up and scaling companies. You can stimulate curiosity, generate ideas, and unlock challenges and opportunities through listening, joint reflection and asking relevant questions.



Provide a range of strategic and operational support

In your role and depending on your own level of experience, you can provide support around critical areas such as accessing finance and raising capital, team management, partnerships, capacity development, and more. You can help boost growth and acceleration through strategic and operational questioning, suggestion of resources including specific trainings to seek out, providing connections and other guidance.



**Be a role model**

Being a business mentor also means you are a role model. You are able to be a mentor because of what you have achieved and by the reputation you have developed over years of hard work, by your successes and, yes, by your failures too. Sharing these stories, insights and experiences with the mentee makes you a great role model and someone valuable to learn from. Women entrepreneurs, including those across Africa, sometimes feel they don't have enough female role models to look to for inspiration. Particularly if you are a woman mentor, don't underestimate the value of this for a woman mentee.

**Enable access to business contacts in your network**

As an established professional or entrepreneur yourself, you have very likely developed a strong network of contacts. In your role as a mentor, you can share and facilitate contacts with the mentee that may lead to further opportunities. Deciding when to open up your network is a personal choice and comes after a solid level of trust has been established.

**Act as an advocate and reference**

Last but not least, as you take the mentee under your wings and get to know the entrepreneur better through a trust-based relationship, you may find yourself advocating for him/her specifically with others in your network. You celebrate the mentee's successes, big and small, and you can be a champion for the company in your sphere of influence, publicly and privately. You can refer the company to contacts in your network to facilitate references and potential new business, among other things.



1.5. Four building blocks of a strong mentor-mentee relationship

There are four main building blocks that underpin a strong and productive mentor-mentee relationship: Trust, Clear Expectations, Confidentiality and Communication.

1.5.1. Trust

Everything starts with trust. Without this basic building block in place, the entrepreneur will neither open up on real issues nor consider your inputs as a mentor. Without this shared understanding and trust between parties, meaningful mentorship is not possible.

Trust is something that grows over time, so don't expect this to happen overnight. In many ways, trust also should be earned. Each part of the mentorship engagement is another opportunity to further develop the mentor-mentee relationship. In the initial phases, what you are looking for is to 'click' with the mentee. Learn about your mentee, their previous experiences, and about the expertise they may need. Likewise, entrepreneurs should come to you with an idea of the issues they're confronting and where they believe they need support at the given time. Explore different ways for the two of you to engage in the beginning. The most important step is to establish mutual interest and trust. Refer to [Annex 1](#) for a needs assessment questionnaire for yourself as a mentor and one which you can share with mentees before entering into a mentoring relationship.

In many instances, a relationship will start small and then grow and develop over time and as the trust between parties improves. The relationship also deepens as the parties understand how they can benefit from one another and create value for one another.

1.5.2 Clear Expectations

The mentor-mentee relationship can be either formal or informal, but it is important to make sure that you are both aligned on the expectations. If you or the mentee expects a formal relationship, and you engage in an informal relationship, your expectations won't match. It is important to understand the motivations of each party. You may have something concrete you want out of the mentoring relationship, such as to find a good investment opportunity. You may want to do it to give back, maybe you are looking to become a part of a new, exciting company, or perhaps you wish to build credibility and enhance your expertise. Whatever the motivations, you should make these clear to the mentee, and vice versa.

In some cases, it might be appropriate to have a mentorship agreement put in place and to think about what to do in situations where a conflict of interest may arise. A mentorship agreement ([see template for reference in Annex 2](#)) can bring clarity to the mentor and mentee's goals and expectations.

1.5.3. Confidentiality

Part of agreeing to the structure and expectations is also being clear about what is and isn't confidential. As a mentor you always want to operate on the side of caution and treat any information you are given as confidential. Ask the entrepreneur for permission before sharing any details or information with third parties. Accidentally or carelessly sharing an entrepreneur's information without permission is certainly a way to lose the entrepreneur's trust. The entrepreneur may also wish to have a *Memorandum of Understanding* (MOU) or *Non-Disclosure Agreement* (NDA). At the same time, don't assume the information you share with an entrepreneur is confidential if you haven't made this explicit. Real trust and confidence has to be in place before you can discuss sensitive business issues that have real consequences on the business, your network of contacts, and so on. It's important to sense that you can safely communicate openly and effectively. The mentee will also appreciate this, as the value of confidentiality goes both ways. Confidentiality underscores all of the other building blocks.

1.5.4. Communication

Next to mentoring, you most likely have a lot of other work and commitments to tend to. Therefore, it's important to communicate how often you would like to meet and by what means, i.e. virtually or in person. Do you prefer a monthly call with updates, a face-to-face meeting each quarter, or ad hoc contact when required? Do you communicate via e-mail, Whatsapp or in person? Until what time can your mentee reach out to you in the evening? Make sure you and your mentee are on the same page about what works best.

In terms of time and how the meetings will take place, you and the mentee can agree on the best form of contact. If you both happen to live and work in Nairobi, then maybe you can arrange a face-to-face meeting over coffee or lunch. With modern technology today, though, setting up meetings with mentees at a distance is also common – all you need to think about are time zone differences and sometimes weak internet connections! Regardless of how you meet, experts seem to agree that one, maximum two hours, is good for a mentor-mentee session.

**CHARLES OJEI**

CEO Hybr Group and active mentor

“An hour once a month, over lunch or coffee, is a sweet spot for a mentoring session. I’ve seen mentoring relationships last from 6 months to 10 years in some cases. Over time, the meetings may start out monthly, then become quarterly and then happen on an ad hoc basis.”

Sometimes, it’s also about a communication structure that allows both the time of the mentee and the mentor to be well spent. Some best practices include: the mentee sharing a 1-page briefing sheet in advance that covers key conclusions from the last meeting, any recent updates, key topics he/she wants to focus on. This allows the mentor to prepare and also build progress and traction over time.

MENTORING QUICK TIPS



Be yourself, be genuine and be honest.



Ask questions, lots of them.



Actively listen, be compassionate. Communicate openly.



Celebrate the entrepreneur's successes with them, and help them examine any setbacks or failures with them.



If you don't know something, say it, and offer other ways to help, such as a contact in your network.



Know that the mentee may not always do what you advise. And that's ok.



Bring a positive energy to the relationship.



Think along, encourage, but also challenge the mentee.

1.6. Five steps for structuring the mentoring engagement

1.6.1. Finding an entrepreneur to become your mentee

To become a mentor, there are many places to start, including industry events or online platforms. The best relationships of course happen naturally, after meeting at an industry event, through your own company and work, through someone else in your professional network, through family members or friends, and so on. Once you have found a mentee and you both agree to commit to the relationship, you have to iron out some basics and define the boundaries of the relationship.

1.6.2. Defining boundaries and structuring the engagement

As a mentor, you may ask yourself, “What should I share? What is off limits? How should I share this information? What will my approach towards the mentee be?” These are some of the many boundary-related questions that you may have at the beginning or during the mentoring relationship.

The reason it's good to create boundaries for yourself, and for the mentoring relationship is that it creates a basis of understanding on where you stand, and where the mentee stands. Doing this at the beginning means you won't have to worry about it down the road, and you both can stay focused on what falls within those bounds you have mutually set.

Boundaries may come out naturally once you set out in an agreement the time, energy and the expectations you are willing to commit to. Each mentoring relationship will require different boundaries as each person and each company is different and thus each mentorship engagement will vary.

If you are a business angel, it is also important to determine and share your interests as an angel investor. Investing money into the mentee's business is not a requirement. It is not always possible. It can be that you do not have the financial resources to invest into the business or that the entrepreneur is pursuing a fund-raising strategy that doesn't allow for you to participate as an investor. Again, this is not necessarily an issue, but it is a point where both parties need to understand the incentives that motivate their partnership and to set realistic expectations.





THINK ABOUT

- Focus on the individual
- In which areas can I be most useful to the mentee?
- What will I do if I cannot help on a certain issue?
- How often do I want to meet and how long will each meeting be?
- Where do I want to meet?
- How long should the mentorship be?
- Would I be ok with extending the mentorship relationship beyond the originally agreed timeframe?
- Who should initiate contact?
- When do we contact each other?
- Are there 'off limit' times when I don't wish to be contacted?
- How much do I want to get involved in the company?
- Where are my boundaries between business and social interactions with the mentee?
- Am I interested in becoming an angel investor?
If so, what are my expectations and grounds for investment?
- Are there potential conflicts of interest? If so, how should I handle them?



1.6.3. Goal setting

Once you and your mentee have established the relationship, agree on the aims of the mentorship together. Identify specific areas where support is needed, set out a rough timeline, and identify where issues may arise and how you both will mitigate them in that case. You can outline these goals in the mentorship agreement found in [Annex 2](#). Setting the goals from the outset helps frame the relationship over time. If the goals are achieved after a certain amount of time and you both wish to re-assess and set new goals to continue working towards, go ahead and do so.

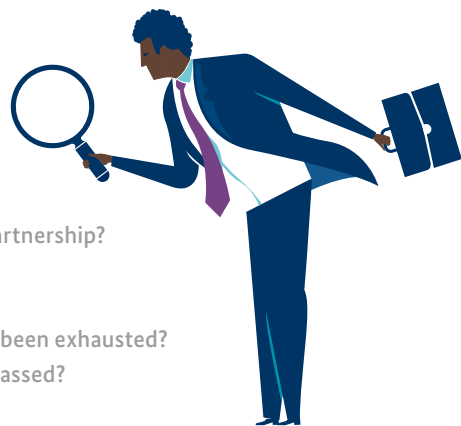
1.6.4. Discuss the end of the mentorship upfront

Thinking about how the mentorship will end, from the beginning, enables you both to shape how the mentorship should progress and what a natural end may be for both of you. Having an idea about the end sets a long-term benchmark by which you can measure the mentorship progress.

THINK ABOUT

Is the conclusion of the relationship when...

- The start-up has secured financing?
- The mentee has established a strong corporate partnership?
- You simply don't see eye to eye anymore?
- The mentee is no longer developing?
- Your specific industry or business knowledge has been exhausted?
- Three or six months, perhaps a year or two have passed?
- There is a natural end?



There are many reasons why a mentorship engagement can end. Discuss it and put it aside once you start collaborating.

Refer also to [Annex 1](#), the pre-mentorship questionnaires, for yourself and for the mentee.



1.6.5. The mentorship agreement

Everything that has been described in previous sections can be neatly summarised in a mentorship agreement. While using a mentorship agreement is entirely up to you, it is advisable to at least write down some basic principles and goals you both aim to adhere to. The agreement helps align you and the mentee on expectations, timelines, and more.

See *Annex 2* for a template of an agreement

KEY TAKEAWAYS FROM CHAPTER 1: GENERAL MENTORING PROCESS

- ✓ Mentoring is about asking questions to steer mentees in their decision-making
- ✓ It's a mutually beneficial relationship for both of you
- ✓ Trust, Clear Expectations, Confidentiality, and Communication are the four building blocks of a productive mentor-mentee relationship.
- ✓ When you find a mentee, see if there is a natural click and then start discussing boundaries, which include one another's expectations from the mentorship.
- ✓ Refer back to the four characteristics of a great mentor, the seven benefits of mentoring and the mentoring quick tips.
- ✓ Consider creating a formal mentorship agreement, or at a minimum record your and the mentees' expectations, goals, timelines, etc.

1.7 Mentorship initiatives in Africa

African Women's Entrepreneurship Program / MicroMentor - Pan-African

AWEP enables African women entrepreneurs by providing them with the knowledge and network to access markets. That is why AWEP is working with MicroMentor to offer opportunities for mentorship to our members. Now you can volunteer your business expertise and background to help an African woman entrepreneur grow her business.

<https://www.micromentor.org/awep-mentor>

CcHub mentor network - Nigeria

CcHUB is Nigeria's first open-living lab and pre-incubation space, and is designed to be a multi-functional, multi-purpose space where work to catalyze creative social tech ventures takes place. Mentorship is a part of the programmes CcHub organises.

<https://cchubnigeria.com/about/>

Endeavor - Nigeria and South Africa

Endeavor promotes the right mix of talent, funding and networks to accelerate high-impact entrepreneurship that can transform the local economy and the wider region through large-scale job creation, investment, and innovation.

<https://endeavor.org/network/endeavor-launches-in-nigeria/>

Enpact Start-up Mentoring - North and East Africa

Over the last few years, start-up mentoring by Enpact has driven ambitious entrepreneurs to overcome obstacles, scale their business, connect internationally with partners and gain new insights to develop their strategy and strengthen their management skills.

<http://www.startup-mentoring.org/how-it-works/>

<http://www.startup-mentoring.org/for-east-africa-based-startups/>

E-Mentoring Africa - Kenya

E-Mentoring Africa was started to build a responsible society by imparting values, life-skills, integrity and professionalism to teenagers, youth, and young career graduates in Africa through mentoring.

<http://ementoringafrica.or.ke/>

Greenhorn Mentorship - Kenya

Greenhorn was founded in 2008 with a vision to create future globally-competitive leaders spanning the public, private and the non-governmental sectors, achieving this by pairing young dynamic minds with the best industry practitioners who have shown exemplary achievements in their respective career paths.

<http://greenhornmentorship.com/>

Mara Mentor - East Africa

Mara Mentor was one of the first mentor initiatives in East Africa and uses an online platform and mobile application that enables ambitious entrepreneurs to connect with peers and business leaders. It empowers entrepreneurs to build their businesses into agents of job creation and economic advancement. It inspires, thereby facilitating a collaborative approach to business start-up and growth.

<https://mentor.mara.com/>

Mowgli Mentor training programme - MENA region, UK and Kenya

Mowgli's vision is focused on the development of societies through the mentoring and evolution of entrepreneurs and leaders. Based upon our MME syllabus, a Mentor Training Programme has been designed specifically to train corporate, executive, youth, entrepreneurial and government leaders as mentors to serve their direct beneficiaries and pass on the benefits of mentoring to others.

<https://www.mowgli.org.uk/node/1040>

NaiLab mentorship - Kenya

Nailab has two core options for programmes, including mentorship, through which a start-up can benefit from incubation/ acceleration. Its core incubation programme is a standard programme that runs throughout the year. However, due to the need for specialised incubation programmes, the incubator has also developed programmes as part of different partnerships.

<https://nailab.co.ke/our-programs/>

National Mentorship Movement - South Africa

The NMM was started with a belief in the power of the innovative spirit of South Africans to make our country great by tapping into the collective knowledge of successful South African business leaders and entrepreneurs. The objective is to connect the right mentors with the right entrepreneurs, and, in doing so, to start a conversation that will lead to the exchanging of ideas and experience, thereby increasing the chances of success.

<http://mentorshipmovement.co.za/>

Seedstars mentor network - Pan-African

Seedstars has created a network of domain experts, serial entrepreneurs and corporate leaders that are involved in mentoring the 75+ Seedstars world finalists. The mentors are tasked with challenging and accelerating the businesses and also prepping the start-ups for the global final in Switzerland.

<https://www.seedstarsworld.com/summit/mentors/>

The Ausso Leadership Academy - Nigeria

The Ausso Leadership Academy (#ALA) was set up to mentor business executives and entrepreneurs to institutionalize and scale their businesses geometrically, in order to maximize the jobs created and to enable shared prosperity.

<https://ausso-academy.com/>

Tony Elumelu Mentor Programme - Pan-African

Mentors are a vital part of The Tony Elumelu Foundation Entrepreneurship Programme and will be selected for their expertise, passion and alignment with the programme vision and mission.

<http://tonyelumelifoundation.org/programme/mentors/>

Unreasonable East Africa Mentor Programme - East Africa

Mentors play a central role in Unreasonable East Africa's ability to create an unreasonable advantage for the entrepreneurs we work with. As an Unreasonable mentor, you have the opportunity to leverage your experience and expertise to help Unreasonable entrepreneurs scale solutions to East Africa's most pressing problems.

<http://unreasonableafrica.org/mentorship-overview/>

VC4A Mentorship Marketplace - Pan African

In the VC4A Mentorship marketplace, entrepreneurs that have registered a profile for their venture on VC4A.com have the ability to submit a request for mentorship support. These requests are screened by the team at VC4A before they are presented to you as a mentorship opportunity. As a mentor, aspiring mentor or angel investor, you can scope out the entrepreneurs and consider the mentorship requests available.

<https://vc4a.com/mentors/>

YALI Regional Leadership Center East Africa Mentorship Programme - East Africa

Mentorship is a big part of the center's 4-week programme. Mentors are the role models, coaches, acquaintances, and guiding lights who will be a crucial part of developing our participants to positively improve their communities, enhance their leadership skills, and help them become global citizens. The goal of the mentor/mentee relationship is to offer both parties a chance to learn from each other and to build understanding across generations, cultures, nationalities and backgrounds.

https://www.yalieafrica.org/faq/mentors_and_advisors.php#mentorship

1.8. Ending a mentoring relationship

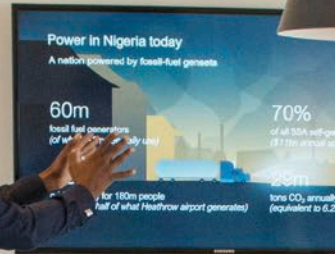
In concluding a mentorship engagement, it's beneficial for both you and the entrepreneur to reflect on the relationship, such as what went well, what went wrong, and so on. See some potential discussion points *below*.

SAMPLE DISCUSSION POINTS

- How the mentee has developed over the course of the mentorship
- What lessons you as a mentor have learned from the relationship
- The goals set out at the beginning of the mentorship engagement and the progress made
- Goals or focus areas not addressed, and why
- High and low points of the relationship
- Any challenges you worked together to overcome
- Whether you will maintain contact with each other into the future and, if so, how and when
- The next steps for the mentee

TIP: Be honest and constructive with your feedback and listen carefully to what the mentee says because you can use that feedback for your next mentoring relationship!







Chapter

Mentoring Entrepreneurs into Thoughtful Leaders



2.1. Understanding the entrepreneurial mindset

One thing nearly all entrepreneurs have in common is that they are dream actualizers. They have a dream which they aim to turn into a vision and bring to life. Turning that vision into reality is a long road with numerous ups and downs, often making it a lonely journey for the entrepreneur. Many family, friends and colleagues around a starting entrepreneur may not understand what he/she is doing and why they are doing it, nor believe in them; which is not easy.

The entrepreneur is almost always worried about money, whether it's to make it through the day, week, month ahead or beyond; the quest for money also often distracts from the running of day-to-day operations and going after sales. And entrepreneurs dedicate nearly all of their time to their work, sacrificing their personal health and sometimes other commitments in their lives.

Also, some entrepreneurs may be cocky, act defensively, have little self confidence, or they may be worried that someone will steal their idea. Getting to know an entrepreneur, his or her mindset and what type of person he/she is, is critical to do before beginning a mentor-mentee relationship.

As a good mentor, it is essential to be sensitive to the experience of the entrepreneur and to understand the priorities that drive their decision-making. A great mentor can help entrepreneurs confront some of their insecurities and manage different business priorities.

2.2. Assessing an entrepreneur

Assessing a potential mentee's personality traits, either formally on paper or informally, are key to knowing how to gauge your mentoring approach and where to focus your energy and guidance during the mentorship. Sometimes it only takes a single phone call to understand what kind of entrepreneur the person is, how serious they are, how well they know their business and financials and where they are in their entrepreneurial journey. But it is key to figure out whether the mentee is 'mentorable', or not. Dr. Laila Macharia, a mentor, serial entrepreneur, and angel investor, says that humility and a willingness to listen is important for an entrepreneur, a potential mentee, to have.



OLAYEMI KERI

Group business mentor, angel investor
and co-founder of Rising Tide Africa

*“If you see any signs that your mentee
is not the listening type, don’t waste
your time.”*



Next to being mentorable, Tomi Davies, seasoned business mentor, investor and adviser, identifies 8 key personality traits to look out for when assessing an entrepreneur as a potential mentee.

8 PERSONALITY TRAITS OF AN ENTREPRENEUR TO CONSIDER BEFORE MENTORING



1. Level of motivation and passion:

Is the entrepreneur motivated by making money or by their love for turning their dream into a business? Is the entrepreneur excited to have a mentor and show willingness to listen?



2. Risk appetite:

What is the entrepreneur's level of willingness to take risks? Is he/she risk averse or daring?



3. Self-belief:

Is the entrepreneur confident? Does he/she inspire those around him/her? Do they believe in their vision, in this business proposition and making it happen?



4. Flexibility:

Entrepreneurs face many ups and downs and have to adapt. How flexible is the entrepreneur in adapting to changes facing the business?



5. Knowledge of their industry and place in the ecosystem:

Does the entrepreneur have a good grasp on what's happening in the industry in which they are working and their business's place in it? How well do they know the competition, the applicable regulations, and the sphere of influence around their business?



6. Money management:

Is the entrepreneur good with money? Does he/she have a good idea of the business costs and planning for the future?



7. Planning skills:

Can the entrepreneur plan effectively without falling into the planning paralysis trap? Are they focused on the short-term nitty gritty or can they also think of the bigger picture and plan longer term?



8. Connections:

Connections do matter. What connections does an entrepreneur already have? Do they have the right connections they need to get their business off the ground?

According to Joel Patenaude, an experienced business leader, active mentor and angel investor of entrepreneurs across Africa and the US, there are generally two characteristic types of entrepreneurs out there.

One type is methodical and has a steady approach to the business, takes measured risks, is immersed in the business and knows all the financials inside-out and can answer any question about the business. A second type tends to be more visionary, very optimistic and driven, likes to take risks and is less focused perhaps on the details, such as bookkeeping, etc. Both can be successful, but the first type tends to attract more success and funding.

2.2.1 Online resources

There is an abundance of information to be found about the challenges start-ups face. As a mentor, you can direct mentees to these resources. Here are two examples of free content available online, which you and your mentee can use to gather new insights and knowledge about different topics relevant to start-ups.

Make-IT Entrepreneurs' Guide to Investment

The Make-IT in Africa initiative of GIZ, in cooperation with various financing partners, publishes guides to investment in Kenya and Nigeria, explaining funding instruments, investor types and the different stages of raising capital. In addition, they give a brief overview of the specific investment scene. The guides also contain a detailed investor directory giving detailed information on more than 60 investors and financing partners.

<https://make-it-initiative.org/africa/activities/guides-investment/>

The Village Capital VIRAL Pathway

The Venture Investment Readiness and Awareness Levels (VIRAL) is Village Capital's framework that helps entrepreneurs and investors use the same language at the beginning of their conversations. VIRAL helps entrepreneurs become self aware and to articulate just how ready they are for investment. At the same time, it allows investors to communicate the point at which they want to invest.

<https://medium.com/village-capital/entrepreneurs-and-vcs-need-to-be-more-precise-in-the-way-they-talk-to-each-other-3e714e7a5245>

<https://vilcap.com/entrepreneurs-landing/viral/>

Ashoka Social Investment Toolkit

The Social Investment Toolkit is a guide for social entrepreneurs looking to raise social investment. They have created eight modules that represent key steps in the path to raising investment. Little financial knowledge is needed, and key concepts are introduced. By the end, participants should have everything they need to be able to approach investors.

<https://www.ubs.com/microsites/social-investment-toolkit/en.html>

VC4A Startup Academy

The VC4A Startup Academy is offering direct access to expertise proven to work for successful entrepreneurs and investors operating across Africa. Founders can take their business to the next level by learning about the latest insights, download tools, and listen to advice from 90 experts active in the African start-up ecosystem.

<https://academy.vc4a.com/>

2.3. Common Start-up Challenges

There are many common challenges entrepreneurs face when starting up and the issues that the entrepreneur faces will vary from person to person, and company to company. While one entrepreneur may need mentoring guidance on governance, another may need support with establishing a corporate partnership and preparing for due diligence. It's important to note that these challenges do not appear linearly in reality and an entrepreneur can have multiple challenges to tackle at the same time.

There are, in general, four elements an entrepreneur needs to move from dream actualization to a business. They are:

1. The business proposition and model (based on the vision),
2. The organisation around the entrepreneur (the team and structure),
3. The economics behind the business proposition (capital, the product or service offering and market).
4. The milestones (business planning) needed to be achieved to make it all a reality, including creating corporate partnerships.

Across the board, one of the things mentors can do is share information about these specific areas based on their own experience or knowledge, such as case studies or access to frameworks or tools, and then engage with the entrepreneur on these insights and learnings. If the mentor has specific expertise in any of these areas, they can walk the founder through various approaches that have been used to tackle similar issues. Maybe an approach can be used again or perhaps the examples can help to inspire new approaches and solutions needed to solve a problem.

2.3.1. Refining the business proposition and model

Turning the vision into a solid business proposition and working business model is the first big step in the entrepreneurial journey. Scoping and understanding the market, and getting to know the customer base, competitors, potential partners, and more is essential to getting things started.

SAMPLE DISCUSSION POINTS

- How did you scope the market?
- How do you know if your product or service is needed?
- Are the business idea and plan feasible?
- Does the mentee demonstrate a thorough understanding of his or her sector?
- Is the mentee and his/her product or service, and therefore the company, capable of adapting to changes or uncertainties in the market?
- Does the mentee understand the legal and regulatory structures in place that affect his or her company?



2.3.2. The team and organisation around the entrepreneur

As a mentor, you may be asked for advice and support regarding the important issue of governance of your mentee's company, to get a strong governing structure in place. Many entrepreneurs, particularly of start-ups, focus heavily on getting their business and product or service off the ground, and overlook the time and investment needed to develop a strong team, management and corporate governance model. Here the mentor can do a lot to help inform the entrepreneur of good habits and to act as a sounding board on what is or isn't happening or working in trying to run the business professionally.

Management team

The success of a company depends on the quality of the management team. The entrepreneur will be strong in particular areas but might be lacking in others. The mentor can help the entrepreneur critically assess gaps in management and can help identify key areas where the organisation would benefit from additional talent. This can be used to frame thinking around co-founders and or filling key management positions. The type of management team members needed will vary according to the stage of growth the mentee's company is at the given time.

Boards

If your mentee's company is a start-up, they likely don't have, or need, a corporate board yet. Maybe they have an advisory board in place, but it's possible the start-up has neither. That's 'okay' in the beginning, but as the company grows, seeks investment and secures it, a corporate board will need to be established. You can probe the entrepreneur with questions to guide them to making the right decisions about when and how to set up a corporate or advisory board.

Legal and tax compliance

Once the mentee moves past the start-up phase, ensuring legal compliance is essential to the company's ongoing sustainability and for any interested potential investors down the road. Being compliant protects the mentee, any other owners and of course the employees.

SAMPLE QUESTIONS YOU CAN ASK THE MENTEE:

- What is the company's guiding ethos and the moral principles it is based upon?
- Which team profiles are best for the business?
- What is the hiring strategy to attract and retain talent?
- Are the team members aligned with and believe in the vision?
- What is the company culture?
- How does the mentee envision the governance setup?
- How should the management team be structured?
- What kinds of personalities and expertise does the mentee want or need around them?
- Does the entrepreneur need a formal board, and/or an advisory board?
- What level of involvement does the mentee expect from the management team and the boards?
- What policies and procedures are in place to ensure transparency and accountability?
- What are the communication standards for communicating important decisions, underscoring transparency and accountability both internally and externally?
- What reporting is required to demonstrate compliance on the policies, procedures and principles?
- Which local and national regulations and laws affect the company and its product or service delivery?
- Which consolidated and harmonized sets of compliance controls can be integrated?
- Is the registered legal entity sufficient for the current stage of the company?
- What are the intellectual property protection needs and how can they be implemented?





STEPHEN GUGU

CEO ViKtoria Ventures (Kenya) and active mentor

“You want to teach the entrepreneur how to fish, not give the fish to them.”

2.4. The economics

You don't necessarily have to vet the business model or know all the technicalities of the financial statements. But you can help the entrepreneur by asking questions and with thinking through the strategy, working through feedback and strategising approaches, and following up with investors.

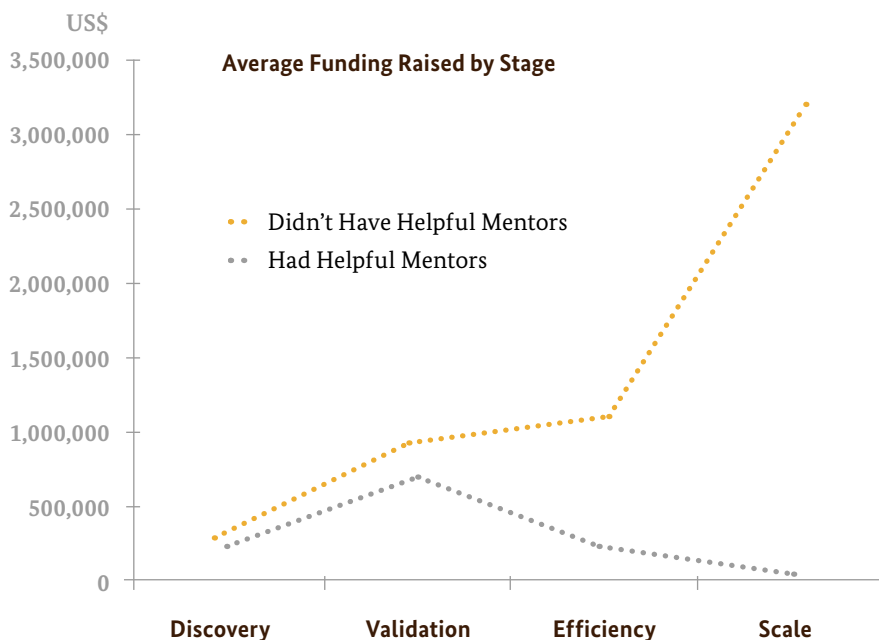
Fundraising

Fundraising is super hard for entrepreneurs. It's as much technical as it is emotional. 'Emotional' because the start-up is 'their baby', where they are investing a lot of time and energy and sacrificing personal/social lives in some cases, and 'technical' because they are venturing into business areas they are/may be inexperienced in.

Most entrepreneurs will at some point in their start-up journey require outside funding. The ability to raise capital will be a determining factor in making or breaking of a new business. When working with entrepreneurs, most mentors will therefore also come across the question of fundraising. As a business mentor, you may or may not have a good understanding of the funding landscape, how the investors operate, which investors to seek out, et cetera.

Fundraising support from mentors

In research conducted by Start-up Genome and supported by Stanford University, start-ups who had the support of helpful mentors were able to raise more capital, so yes, your guidance in accessing financing can be critical to your mentee.



Source: Startup Genome Report, Why Startups Succeed (2012), p. 45.⁴



SAMPLE QUESTIONS YOU CAN ASK THE MENTEE:

- Does the mentee have good financial statements?
- What is the current cash flow?
- What is the financial strategy?
- Has the mentee identified the amount of investment the business needs?
How did they calculate it?
- Does the mentee have a 3-minute and a 10-minute pitch, supported by a pitch deck (presentation)?
- Has the mentee rehearsed the pitches several times?
- Which kinds of investors does the mentee want to target? Why?

⁴ https://s3.amazonaws.com/startupcompass-public/StartupGenomeReport1_Why_Startups_Succeed_v2.pdf

Due diligence

If and when the mentee is on the pathway to securing investments, the interested investors will conduct due diligence.

SAMPLE QUESTIONS YOU CAN ASK THE MENTEE:

- Does the mentee have the company legal and registration documents in order?
- What about the stocks and securities documents?
- Does the mentee have their information about employees and related parties organised?
- Are the accounting, financial information and taxation documentation in order?
- Are there any material agreements?
- Is there any litigation which needs to be reported?
- Does the mentee have any properties and insurances?

For a more complete checklist on preparing for due diligence, visit:

<https://vc4a.com/blog/2012/07/27/a-due-diligence-checklist-for-startups/>

2.4.1. The milestones - the game plan and road ahead

The mentee has secured the first or second round of funding, so what's next? One of the key added values of a mentor is bringing the entrepreneur out of his or her day-to-day company bubble to think about the larger picture and the long-term.

SAMPLE QUESTIONS YOU CAN ASK THE MENTEE:

- Does the mentee have the company legal and registration documents in order?
- Where do you see yourself going in 2, 5, 10 years?
- What is your ambition for the company?
- What is your exit strategy?

Corporate partnerships

For a growing start-up, or any company for that matter, a corporate partnership may be the answer to many practical questions and issues faced by a smaller company. Yet there can be benefits for both parties: From partnering with a smaller, more innovative and faster moving company like that of your mentee's, a larger corporate can gain fresh insights into latest technologies and developments, among other benefits.

Making partnerships work

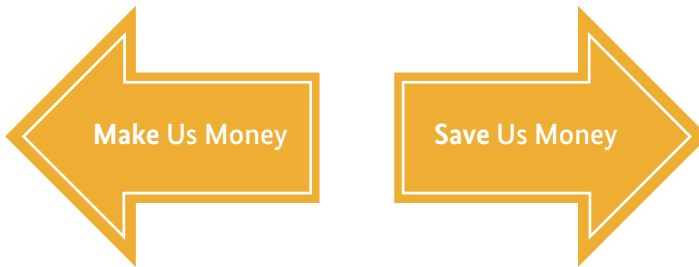
There are four types of corporate partnerships and the most relevant one is the 'strategic alliance', as this can form a win-win relationship between the corporate and the start-up, one that will have a long-lasting impact on both sides when successful.



Source: Making corporate partnerships work (Perlman+Pelman). Sustainability Summit Vision 20/20

What makes corporates tick?

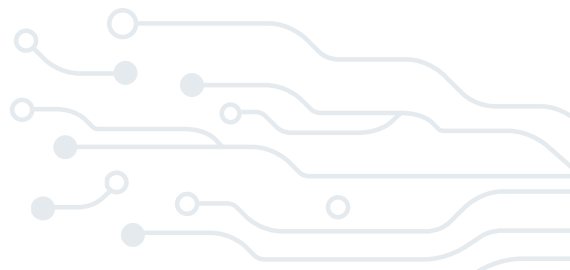
People working at corporates are looking for two things in partnerships. How can this ‘make us money’ or how can this partnership ‘save us money’.



For large corporates, start-ups can plug into significant supply and demand value chains if the right partnerships are brokered. If the mentor has some relevant industry experience and relationships, giving pointers as to possible fits for corporate partnerships can be useful in helping to open doors. However, showing the mentee the right languages and process is very helpful as corporates can be “big elephants” and challenging to engage with due to their size and structure.

**6-STEP FRAMEWORK:
MENTORING START-UPS TO BUILD PARTNERSHIPS**

1. Needs Assessment: What is important to them? Do we fit?
Where is the value to create?
2. First Meeting // Discovery: Who are we? Who are they?
Where can we meet? How to work together?
3. Partnership Proposal: Here is what we can do. Here is the value we can create together.
4. Alignment: There is a fit, let's formalise ... loosely.
5. Proof of Concept: Let's try something small, see what works.
Measure and learn.
6. Expand: It's working, let's make it bigger! Work on a detailed formalisation of the collaboration and create a joint action plan.



SAMPLE QUESTIONS YOU CAN ASK THE MENTEE:

- What are the potential corporate partnerships possible which are aligned with the mentee's company's product/service offering, vision, sector, etc.?
- What are the mutual benefits for each company, but especially for the mentee?
- How will a partnership change the current company and employee dynamics, structure, costs, planning, and more?
- How long will the partnership run? Is it transactional or longer term?
- How are the responsibilities and reporting on progress or issues between the companies going to work?
- What are the legal and regulatory, and intellectual property implications?
- Due diligence

2.5. Challenges for entrepreneurs throughout Africa

The specific day-to-day challenges for entrepreneurs naturally vary in degree depending on where the entrepreneur is operating. Throughout Africa, entrepreneurs share many of the same challenges as entrepreneurs in the US or Asia, such as accessing capital and establishing good governance, but there are also some additional factors which entrepreneurs throughout the continent have to deal with when running their companies. Circumstances vary from one African country to the next, but here is a list of the most common challenges African entrepreneurs and start-ups face.





7 MOST COMMON CHALLENGES FOR AFRICAN START-UPS



1. Access to capital: Investment readiness

Accessing finance is a shared challenge among entrepreneurs, whether in Silicon Valley, Nairobi, Johannesburg, Lagos or anywhere else. The ecosystems in each country certainly vary. For example, while there are ample wealthy investors based in Cape Town, Lagos, and Nairobi, there are fewer in Dakar, Accra and Kampala.



2. Access to market: Partnerships

One of the other main challenges of start-ups in Africa is access to market. When you have a small budget, how do you make sure people know about your product or service and build up a client base? This is an area where mentors can add a lot of value as they can make introductions to prospective clients, potential corporate partners and potentially government organizations. Mentors can help to determine the right timing, to position the start-up well for these conversations and then also follow-up.



3. Team: Young, inexperienced labor market

Finding the right people for a team is challenging. From education to experience, getting people with the right skills for the right price is not easy. Often, the high performing students tend to go work with corporates in the country instead of for the start-ups. On the other hand, for instance in Nigeria, there is a large young labor force. For example, there are many young programme developers interested in working for companies, but they often lack sufficient work experience and many companies turn to outsourced solutions instead of employing inexperienced youth or expensive experienced developers. The upside is, in several years time, these young people will amass experience and the labor market will benefit greatly.



4. Developing, but limited infrastructure

While the overall infrastructure across Africa is steadily improving, it is still limited. Regular power outages and irregular or expensive internet connections, fractured transportation networks and roads, and more, affect a new business's ability to develop, sell and transport products at low cost.



5. Legal: Inadequate laws and regulations

Unclear, complex or inadequate laws and regulations in areas like tax, property, IP, trade and tech have a direct impact on businesses. While some laws and regulations may be weak, others may be overly strict, both resulting in too much time and extra costs spent navigating the ins and outs of starting and running a business. Starting entrepreneurs also don't always have the resources to hire lawyers or specialists to understand and comply with the laws.



6. Corruption

Unfortunately corruption is pervasive in much of the world and most countries in Africa are not exempt from this. Trying to run a legitimate business in the face of corruption, having to pay bribes, and dealing with other side-effects of corruption can be, can be very difficult. It can sidetrack an entrepreneur's focus from the business.



7. Gender-related issues

Across Africa (as in most of the world), the reality is that women still face a number of gender-related hurdles in comparison to men. The gender imbalances originate from a number of sources, including cultural, customary and patriarchal social norms. While this is changing for the better in most places, women entrepreneurs are not excluded from this additional challenge. For instance, women entrepreneurs often experience gender bias when negotiating deals, or accessing venture capital and debt capital. Women entrepreneurs regularly feel like they are not taken seriously when talking about their business and product or service to a man. Women are also less likely to network as frequently as men, due to the stigma of going out alone to an event, for safety reasons, or due to the need (and/or expectation) to take care of family and household tasks. Gender plays an undeniable role in the ease with which women entrepreneurs around Africa can start-up and scale their businesses.



While these challenges are indeed a reality, they are not impossible to overcome, as we see robust and maturing start-up ecosystems developing across the continent, including many women-led companies. Organisations like Rising Tide Africa and She Leads Africa are bringing women together, planning networking events and increasing women's access to capital, among other things, to mobilise women entrepreneurs and counter the gender-related challenges many African women entrepreneurs face.

The African continent is unbelievably diverse. With 54 different countries, entrepreneurship is happening across thousands of different cultures. And while there are indeed commonly-confronted issues, any mentor should be smart enough to know that each entrepreneur, each business case, and each situation is wholly unique. At the end of the day, your role as a business mentor is to ask the questions and think along with the entrepreneur so they can overcome the challenges they face, and to deal with, and overcome, any setbacks they experience.

SAMPLE QUESTIONS YOU CAN ASK THE MENTEE:

- Is a 'Delaware registration' needed to fundraise in the US?
- Is the mentee facing issues with corruption or bribery?
How is he/she handling that?
- What payment systems are in place to handle cross-border payments?
- What is the best way to transport and distribute the products?
- Is there anyone the entrepreneur can rely on to help navigate the complicated regulations and laws?
- Is it prudent to join a government-related committee or body to help guide decision-making that affect businesses?

6 THINGS NOT TO DO AS A MENTOR



- 1. Do not expect the mentee to listen to and act on everything you ask or say.**
You have no control over what the entrepreneur does. They have complete free will to act on your advice, or not. Don't take it personally if they do something else than what you suggested.



- 2. Do not assume a larger role and do the entrepreneur's work for them.**
As a business mentor, your primary focus is on developing the mentee's capacity to run their business and you are there as a guide to steer them in making decisions for their business. If they ask you to write part of their business plan or to do a cash-flow analysis, re-clarify your role as a mentor and note that this is the crossing of a boundary into the commercial area of paid consultancy work.



- 3. Do not act as a personal therapist (counsellor).**
Personal issues can definitely affect any entrepreneur, but you are not there to listen to them speak about issues in their personal life ad nauseum. If you think they could benefit from a personal counsellor, suggest or recommend one.



- 4. Do not breach the entrepreneur's trust (and don't let them breach yours!).**
Respect the entrepreneur and what they're doing. Trust is the fundamental basis of a good mentoring relationship and if you, or they, cross this boundary, the mentorship relationship should likely be ended.



- 5. Do not give advice if you don't know what you're talking about.**
Nobody knows everything and it's better not to give advice outside of your comfort zone of knowledge and experience. Consider providing resources or connections to others who may be able to help.



- 6. Do not make promises you can't keep.**
Don't make promises that you will invest in the mentee's company if this is not something you will seriously consider. Doing so jeopardizes the foundation of trust of the mentorship relationship and only hinders the entrepreneur's efforts.

KEY TAKEAWAYS FROM CHAPTER 2: MENTORING ENTREPRENEURS INTO THOUGHTFUL LEADERS



Always keep in mind that the journey of an entrepreneur is not an easy one. Get to know the entrepreneur before mentoring and assess his/her personality traits to see where you need to focus your time and energy in guiding them.



Entrepreneurs face a common set of challenges when starting up and entrepreneurs throughout Africa confront additional impediments on a day-to-day basis. Using your experience and networks, ask the questions and provide useful resources to guide them through these challenges.



Remember the 6 things NOT to do as a mentor.





TOMI DAVIES

Co-founder of Lagos Angel Network, President of the Africa Business Angel Network, and active business mentor, philanthropist, investor and adviser

“The ultimate role of the business mentor is to help develop a successful entrepreneur who in turn develops a successful company.”





Annexes

Annex 1

Tool: Pre-Mentoring Needs Assessment Questionnaires for Mentors and Mentees

Questions to answer or think about for the mentor

1. How much time do I have to dedicate to mentoring?
How often should we meet?

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2. In which areas do I feel confident in providing mentoring guidance?

.....

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3. What are my expectations from the mentee and what are my
own boundaries?

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4. What will I do if there is a conflict of interest?

.....

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.....

.....

5. Do I 'click' with the mentee? Do our core values align?
Can I get behind the mentee's entrepreneurial vision?

.....

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.....

.....

6. What is their character if you consider the 8 personality traits of a mentee?
What appear to be their main weaknesses and strengths?

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7. Am I also open to being a commercial adviser or angel investor to the mentee and his/her company?

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.....

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Questions to answer or think about for the mentee (entrepreneur).

NOTE: Be sure to share these with your mentor!

1. What do I want to get out of the mentoring, in general?

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2. What are the top 3 areas where I need mentoring guidance right now?
Prioritize from most important to least important.

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3. What is working well in my company? What isn't working well?

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4. What are the top 3 biggest changes I want to see this week, this month,
3 months from now, 6 months from now, 1 year and 5 years from now?
You don't need to abide to these timeframes, but to think both short-,
medium- and long-term.

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5. What are current barriers I am confronted by?

6. What are my expectations from the mentor?

7. How much time do I have to dedicate to the mentorship and preparing for each mentoring session?

8. What are my boundaries? What am I willing to share and NOT share with the mentor?

9. What are my main weaknesses and strengths?

10. What is my entrepreneurial vision?

Annex 2

Tool: Template for Mentorship Agreement

Business Mentorship Agreement

Mentor Name:

Mentee Name:

Date:

We agree that (Date) is the start date of the mentorship period.

We agree to (Period) for the duration of the mentorship, which is subject to change according to the wishes of both parties.

We agree to meet (Frequency) and (How) with the option of

We are committed to working towards the following goals:

1.
2.
3.

We aim to achieve the following outcomes:

1.
2.
3.

We agree the following terms for changing or ending the mentorship:

.....

Signed (mentor):

.....

Signed (mentee):

.....

Annex 3

Tool: Post-Mentorship Questionnaires for Mentors and Mentees

Mentor Feedback

- 1. The mentee was committed to the mentorship. Yes/No. Explain.
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.....
.....
- 2. Together we tackled the following items during the mentorship:
.....
.....
.....
- 3. We achieved the goals set out at the beginning of the mentorship. Yes/No. Explain.
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- 4. We achieved the desired outcomes. Yes/No. Explain.
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.....
.....
- 5. What worked and what didn't? Be specific.
.....
.....
.....
- 6. Overall, how do I rate the quality of the mentorship? 5 - highest, 1 - lowest.
.....
.....
.....
- 7. I recommend that the mentee focus on the following next steps.
.....
.....
.....

Mentee Feedback

1. The mentor was helpful to me. Yes/No. Explain.

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2. Together we tackled the following items during the mentorship:

.....

.....

.....

3. We achieved the goals set out at the beginning of the mentorship. Yes/No. Explain.

.....

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.....

4. We achieved the desired outcomes. Yes/No. Explain.

.....

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.....

5. What worked and what didn't? Be specific.

.....

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6. Overall, how do I rate the quality of the mentorship? 5 - highest, 1 - lowest.

.....

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7. I would recommend this mentor to other entrepreneurs. Yes/No. Explain.

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Annex 4

Resource: Further Reading and Reference for Mentors and Entrepreneurs

1. Websites and Blogs

African Tech Roundup: <http://www.africantechroundup.com/>

Disrupt Africa: <http://disrupt-africa.com/>

Rising Tide Africa: <http://risingtideafrica.com/>

She Leads Africa: <https://sheleadsafrica.org/>

Tech Moran: <https://techmoran.com/>

Tech Point: <https://techpoint.ng/>

VC4Africa: <https://vc4a.com>

Venture Burn: <http://ventureburn.com/>

Wee Tracker: <http://weetracker.com/>

3. Podcasts

African Tech Roundup with Andile Masuku and Musa Kalenga:
<https://soundcloud.com/african-tech-round-up>

Building the Future with Dotun Olowoporoku:
<https://soundcloud.com/building-the-future>

Robert Yawe, a civil leader and tech commentator:
<https://soundcloud.com/robert-yawe>

StartUp is a documentary series about entrepreneurial life. The show has been downloaded tens of millions of times since its launch in 2014.
<https://www.gimletmedia.com/startup>

The East Africa Business Podcast with Sam Floy: <http://samfloy.com/podcast/>



How to Start a Start-up is a series of video lectures, initially given at Stanford in autumn, 2014.

<https://startupclass.samaltman.com/>

4. Resources

Resources to use during the mentorship engagement

Ashoka UBS Social Investment Toolkit

<https://www.ubs.com/microsites/social-investment-toolkit/en/modules/social-change.html>

DIY Toolkit: The DIY Toolkit has been especially designed for development practitioners to invent, adopt or adapt ideas that can deliver better results.

<http://diytoolkit.org/>

Siemens Stiftung: SAMforSE - A Self-Assessment Manual for Social Entrepreneurs

<https://www.samforse.org/en>

VC4A Mentorship Marketplace: <https://vc4a.com/mentors/>

VC4A Startup Academy: <https://academy.vc4a.com/>



5. Books

Abdelkrim, Samir. *Startup Lions: At the Heart of African Tech* (French Edition) (2017)

<https://www.amazon.com/Startup-Lions-c%C5%93ur-lAfrican-French/dp/1973469588>

Gladwell, Malcolm, *Outliers: The Story of Success* (2011). <https://www.amazon.com/Outliers-Story-Success-Malcolm-Gladwell/dp/0316017930>

Horowitz, Ben. *The Hard Thing About Hard Things: Building a Business When There Are No Easy Answers* (2014).

<https://www.amazon.com/Hard-Thing-About-Things-Building/dp/0062273205>

Kim, W. Chan and Renée Mauborgne. *Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant* (2006) <https://www.blueoceanstrategy.com/resources/book-summary/> and via <https://www.amazon.com/Blue-Ocean-Strategy-Expanded-Uncontested/dp/1625274491/>

Moraa, Hilda. *A Kenyan Startup Journey: How I built and sold my tech business in Africa: 10 key lessons I learned* (2015)

<https://www.amazon.com/Kenyan-Startup-Journey-business-lessons-ebook/dp/B014ANFKCA>

Ndemo, Bitange and Weiss, Tim. *Digital Kenya: An Entrepreneurial Revolution in the Making* (Palgrave Studies of Entrepreneurship in Africa) (2016)

<https://www.amazon.com/Digital-Kenya-Entrepreneurial-Revolution-Entrepreneurship-ebook/dp/B01MRM6G5H>

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In 2007, *Venture Capital for Africa* (VC4A) started as a network building organisation and has grown organically over the years into what is now the leading community working to build high-growth, high-impact companies on the continent.

VC4A strengthens Africa's start-up community by connecting entrepreneurs creating innovative and scalable businesses with the knowledge, network and funding they require to succeed.

- Entrepreneurs get access to the VC4A Startup Academy, programme mentorship opportunities and the ability to raise capital.
- Mentors are able to learn about start-ups and connect with those entrepreneurs they wish to potentially mentor, if not invest in themselves.
- Programme partners engage members with their entrepreneurship programmes, competitions and services.
- Investors are able to discover great companies, research opportunities and follow up with founders directly.

We would like to thank all contributors to this guide, listed on the next page, who shared their wisdom to make this guide a valuable resource for everyone who is interested in contributing to the next African start-up success story.



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VC4A



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