

Kick-starting Kenyan startups

Presented by

Street Youth's MBA

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Less than a year ago, 23-year-old Samuel Maboko was spending his nights at a dumpsite in the Nairobi, Kenya, slum of Kawangware. Unable to afford school fees, the young man collected and sold scrap metal to get by.

"It was hard to find a job without finishing school," Mr. Maboko says. "But I knew I wanted to make money to help my family somehow."

The amount he made selling scrap metal was enough to provide small, unstable housing for his mother and two sisters, while he slept outside. It wasn't until Mr. Maboko started his own street business -- serving breakfast and lunch at a stall in his community -- that he began to earn more steady income.

Much like entrepreneurs anywhere, Kenya youth are finding their greatest success comes after evaluating their needs and wants, as well as those of their communities. Striving to equip these youth with the skills they need to successfully make a living, Toronto-based non-profit organization Street Kids International has partnered with local youth organizations in Kenya. Together, they deliver business training programs that equate to "an MBA for street youth," and culminate in these young people creating detailed business plans to put into action.

"By thoughtfully planning their business ideas, they are able to realistically set goals for making a living within their own means," says David Pell, executive director of Street Kids International. "The small businesses they develop hold very real potential to elevate their quality of life."

About half of Kenya's population of 36 million is under the age of 18, according to UNICEF; and CIDA reports more than 60% of them live on less than \$2 a day. Youth who face familial and health issues or lack funds for education turn to the street to make a living.

Street Kids International's program, delivered through local youth workers use animations, games, visual aids and discussions to encourage participants to draw on their own experiences while learning how to launch a sustainable business. The first step is for the participants to identify personal goals,

before exploring concepts such as demand, competition, attracting customers and budgeting.

Acquiring these skills paid off for Mr. Maboko. In a good month, he can make a profit of 3,000 Kenyan shillings (\$47) -- enough to buy food and rent a small one-room house for him and his family. He also employs three friends who live under his roof.

Sylvia Barasa, the youth worker in Kawangware who helped Mr. Maboko develop his business plan, says she is encouraged by the progress she has seen since last August when she began implementing the program. Of the 50 youth she has taught, 10 are using the skills to earn a living. The course "gets youth thinking in ways they haven't before to set goals and calculate costs," she says.

Isaiah Omondi, a resident of Pumwani, a Nairobi slum, was hindered by too much ambition. The course helped him create a business plan with more realistic goals. Initially, Mr. Omondi had hoped to stage community events, but that would have required substantial startup funding to secure a venue and sound system.

"I had these ideas but didn't know how to arrange them," Mr. Omondi says. After reworking his business plan, he decided to sell CDs at the local market and around the community. This quickly proved profitable, and he opened a savings account with hopes to set up his own CD shop before pursuing his original career path.

These small businesses are essential to Kenya's development says Richard Sandbrook, a University of Toronto professor of political science specializing in development strategies for Africa. In countries such as Kenya, where youth make up such a large percentage of the population, not all entrants to the labour force can find work in the formal sector of the economy, he says.

"To succeed in their micro-enterprises, they desperately need some training -- in basic bookkeeping skills, for example -- plus access to small loans," Mr. Sandbrook says. "Providing such skills and credit are some of the most important things that development-oriented NGOs can do to mitigate poverty in desperately poor countries."

Street Kids International has set up street business programs in countries around the world including Nepal, Bolivia, and Ethiopia. By working with partner organizations and youth workers who know their communities well, they are adapting the courses to suit the realities of street life.

Other youth organizations have chosen to add mentor-ship and microfinance elements to the program to ensure youth can apply the business principles they learn.

Learning how to properly plan and develop a business allows participants to drastically change their lives. Mr. Maboko is optimistic he will be able to increase business at his street restaurant and move to a better location within six months. Mr. Omondi is equally optimistic for the future of his business. "Even the journey to the moon first took a single step," he says. "And this is my single step." - Chris

Mejaski is communications co-ordinator for Street Kids International. He travelled to Kenya in December, 2008, to meet with participants in Street Kids' training. He can be reached at chris@streetkids.org. For more information, visit streetkids.org.

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