



# **The African Incubator Network (AIN) Workshop**



**on**

**Strengthening Regional  
Linkages between Incubators,  
Incubates and other  
Stakeholders:  
Incubation Experiences From  
Kenya**



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# Introduction

- As the Kenya Government, through the Ministry of Trade and Industry (MoTI) is spearheading a spirited drive towards its mission of industrialization by 2020, the Ministry is taking a strategic direction in embracing Business Incubation (BI) as the engine for growth that will enable the government to achieve this mission.
- The Kenya Kountry Business Incubator (KeKoBI) is cooperating with this, other ministries and other interest government and private sector players to help realize this goal.



# The Kenya Kountry Business Incubator (KeKoBI)

- The Kenya Kountry Business Incubator (KeKoBI) is a multi-sector institution founded to spearhead business incubation in the Kenya.
- The KeKoBI model of SME support, focuses on fostering entrepreneurship at the local level, emphasizing the increasing importance of mobilizing local talent and resources, and encourages collaboration with stakeholders to provide seed and investment funding that fuel entrepreneurial initiatives.



- Since its founding in 2004, KeKoBI ventured into starting up a live software development business incubator, which later diversified into mixed use incubation.
- Today, it is among the few organizations in the country with a reservoir of knowledge in business incubation.



# Overview of KeKoBI

- KeKoBI currently occupies 2 floors each of which is 4, 800 square, making for a total of 9, 600 square feet at the National Bank Building on Harambee Avenue in the Nairobi City centre. KeKoBi had one anchor tenant but had to terminate the relationship due to sub-leasing issues with the landlord; we therefore do not have any anchor tenants at present



- Presently, KeKoBI is incubating 23 companies, and this number is set to grow as the company grows and expands, and as additional office spaces are taken up. Since its founding, KeKoBI has graduated a total of 7 companies.





# Some KeKoBI Programmes

## 1) *Capacity Building*

*As a major component of its incubation programme, KeKoBI undertakes trainings, workshops and seminars in such areas as Entrepreneurship, Innovation, Business Plan Development, and Intellectual Property.*

***It is in the same vein that KeKoBI has organized an 'Entrepreneurship &SME Seminar' on 13th and 14th July 2007 at the Panafric Hotel in Nairobi.***



Seminar objectives are to explore:-

- the place of “Entrepreneurship & Innovation” in national development using case studies from other countries;
- the significant role of “Intellectual Property” and related issues as they pertain to Entrepreneurship and SME Development;
- “ICT-Enabled Entrepreneurship” as a means to *Bridging the Digital Divide*;
- the benefits of and strategies for Business Incubation,
- “Venture Capital” in Kenya in comparison with other countries.



## 2) **The Business Incubation Association of Kenya (BIAK) Initiative**

- In order to lobby the Kenya government effectively, KeKoBI has spearheaded the start of a membership association, the Business Incubation Association of Kenya (BIAK).
- BIAK is registered under the Registration of Societies Act of the laws of the Republic of Kenya, Society Rules (Rule 2).
- It is a non political Society whose aim is to champion, promote and enhance the concept and practice of business incubation in Kenya.



- **3) Collaborative Partnerships**
- ***Memorandum of Understanding with The Ministry of Water & Irrigation***

The Kenya Kountry Business Incubator entered into a Memorandum of Understanding for the following objectives and purposes:



- To develop and implement information and communications technologies (ICTs) in the management of water resources and related services in Kenya through the Water Services Boards.
- To develop and implement ICT-related strategy services to oversee the mainstreaming of ICTs in water catchments, storage, purification, and distribution in Kenya.
- To create and disseminate knowledge on water resource development and management in Kenya.
- To develop the capacity to analyse water-related issues, formulate ways to solve them, and to design and direct the development of solutions using ICTs.



# ***Current Business Incubation Initiatives in Kenya***



# Kenya Industrial Estates (KIE)

- In Kenya, the concept of business incubation can be traced to the 1960's with the birth of Kenya Industrial Estates (KIE). Modelled after the Indian concept of industrial estates, KIE was established as a subsidiary of the Industrial and Commercial Development Corporation (ICDC) in 1967 to develop industrial sheds in the country's major towns.
- Any Kenyan entrepreneur wanting to set up a manufacturing industry would qualify to get KIE assistance. One only needed to identify space and express interest.



- The most notable successes of the KIE initiative in ‘incubating’ small enterprises into large industries are: East African Specter Limited, Mareba Enterprises, Crescent Industries, Rambo Furniture, Specialized Tools Manufacturers, Gotab Sanik Enterprises, Haco Industries, Kuguru Foods, and Farm Engineering Industries.
- The main shortcomings of this initiative were attributed to the presidential directive to sell sheds on mortgage at non-commercial rates and its limitation of operations to manufacturing initiatives only.





# Export Processing Zone Authority

- Another business incubation initiative is the Export Processing Zone Authority EPZA initiative (in collaboration with EPC and KIE as key partners), to assist local small and medium entrepreneurs (SMEs) enter the EPZ sector and to 'Grow New Exporters'.
- The initiative targets local, high growth potential, start-up or converting companies in 4 sectors: apparel/textile, value added foods, commercial crafts/jewellery, and ICT services. The initiative aspires to provide sheltered homes for up to 40 companies operating for 3 years prior-graduation



# The Centre for Innovative Development East Africa (C4IDEA)

- C4IDEA has established an Innovation Fund to accelerate the transformation of technology-driven ideas into profitable and sustainable investments in the region.
- The initiative is geared towards helping entrepreneurs to rapidly commercialize their technological innovations by giving them the necessary financial and managerial support in return for revenue sharing partnership agreements that benefit all parties



# WillPower Business Solutions

- The WillPower Business Solutions Center initiative targets the informal agricultural sector by advising small scale farmers on how they can increase their income through value addition and market linkages.
- It does this by offering SME mentoring and training services, marketing and linkage services, ICT solutions, financial services and management support. All these services are provided from a centralised location from which orders are provided and linkages effected.



# OTHERS

- KIRDI
- SACOMA
- etc