Unlocking the potential of African start-ups in the energy and transport sector:
Lessons from an investment readiness programme

seedstars   Shell Foundation   UKaid *from the British people*   Transforming Energy Access

Table of Contents

Seedstars is a Swiss-based private group with a mission to impact people's lives in emerging markets through technology and entrepreneurship. The group's activities cover over 90 emerging entrepreneurial ecosystems through a variety of initiatives such as the FTxSDG Challenge, previously known as the Seedstars World Competition, which is the largest entrepreneurship competition in emerging markets; Seedstars Programs that are designed to support entrepreneurs in varying stages of growth via training, education, mentoring and access to resources; Seedstars 01, a talent incubator providing digital skills and start-up based immersive education for the next generation of changemakers; Seedspace, physical coworking spaces and hubs located in 15 countries; and Seedstars International, a global venture capital fund for seed stage start-ups. For more information, visit www.seedstars.com.

Executive Summary

- -

Background

Through our experience working with energy and mobility start-ups in Africa, Shell Foundation (a UK registered charity) and Seedstars hypothesised that there was a market gap where lack of access to early-stage support was constraining access to funding for African-led start-ups in the access-to-energy (A2E) and sustainable mobility (SM) sectors. Co-funded by UK aid from the UK government, we set out to design a training programme that would help founders to become investment ready at the end of a three-month period, in the hopes of driving more investment to these sectors in sub-Saharan Africa. 20 African enterprises were selected to take part. The lessons highlighted in this report aim to guide other entrepreneur support organisations in Africa who are looking to design investment readiness support.

Mentorship has been shown to increase the chances of start-up success by up to three times [1]. Through their experience working with energy and mobility start-ups in Africa, Shell Foundation postulated that a lack of consistent advisory support for energy and mobility start-ups could be contributing to a fundraising gap in these sectors.

In this context, they partnered with Seedstars to develop an 'Investment Readiness Programme (IRP)' to test the impact of providing personalised capacity building for start-ups working in access-to-energy and sustainable mobility.. Our programme aimed to provide accessible advisory support for start-ups and prepared them to engage in conversations with investors, as a first step in mobilising more funding to these sectors.

Programme design

The programme took a tailored approach. We selected 20 start-ups and conducted a thorough analysis of the specific challenges faced by each start-up in order to tailor the programme to their needs. Key challenges were identified in the areas of:

- Team and leadership
- Unit economics and KPI tracking
- Legal processes
- Sales strategy
- Networking
- Fundraising strategy

The resulting programme took a holistic approach, involving five stages:
1. Start-up sourcing
2. Mentor sourcing and training
3. Mentor and start-up matchmaking
4. Capacity building and metrics tracking
5. Investor connections

Conclusion

Although the gaps in advisory and funding support hypothesised prior to the launch of this programme proved not to be as widespread as imagined (with 79% of respondents reporting they had access to a range of professional services), few early-stage innovative tech start-ups in A2E and SM had access to the kind of consistent, good quality support they needed to gain access to necessary funding. **30%** of A2E and SM applicant start-ups reported only having access to high-cost support. When designing IRPs, an integrated, personalised approach combined with exchange of best practice is a promising approach to help start-ups overcome this gap. By enhancing various IRP methodologies and experimenting with new ways of creating greater impact for all stakeholders, the programme helped all start-ups in becoming more investment ready and successfully linked them to potential future investments. For example, by the end of the programme 77 meeting requests had been received from potential investors, 11 investors

---

[1] https://techcrunch.com/2015/03/22/mentors-are-the-secret-weapons-of-successful-startups/?guccounter=2

Executive Summary

----

started tracking start-up growth, 39 new employees were hired by the participating start-ups, and 88% of start-ups reported having ongoing conversations with investors.

Well-matched mentor-mentee relationships further opened the door for the programme to provide the consistent, good-quality support required for start-ups to exponentially grow their business. **94%** of mentors reported being well matched with their start-up, and start-ups equally rated an average of **9.3/10** on satisfaction for this part of the programme.

Although this type of programme can be delivered at a lower cost than the average entrepreneurial support currently available in Africa, the style of programme requires significant time input from both programme managers and willing mentors.

Key lessons that can be drawn from this programme include:

1. IRP programmes can benefit start-up support organisations by running pre-IRP activities such as hackathons, skills training and incubators, to kick-start the start-up economy.

2. Define clear start-up selection criteria at the outset.

3. Network size, communication of programme announcements, and the nature of pre-existing relationships with mentors significantly influences the number of appropriate mentors willing to participate in such programmes.

4. Mentor training is a useful side activity to ensure start-ups receive a similar standard of support, but careful thought needs to be put into how best to tailor it to the needs of the least experienced mentors, whilst still offering benefit to more experienced mentors.

5. Invest in an in-depth matchmaking process where start-ups and mentors can meet and decide who they wish to be matched with.

6. Carry out thorough needs assessments and progress tracking throughout the programme to tailor and adapt programme content to the needs of start-ups.

7. Develop an online content library for easy access to training materials.

8. Maximise the investment opportunities to incentivise start-up participation.

9. Online on-demand information about start-ups can further facilitate investor interest beyond scheduled pitch events.

Participating start-ups

Agrovine Engineering	**Moja Ride**
AquaFarms Africa	**Pickmeup Technologies Inc.**
Crop2Cash	**Plug'n'Grow**
gnuGrid Africa	**Powerlive Zimbabwe**
Green Innovation Ventures Enterprises Limited	**Routemasters**
InsurePay	**Rural Farmers Hub**
Jirogasy	**Solar e-Cycles Kenya Ltd/ETukTuk Limited**
Kiri EV Ltd	**Solaristique Nigeria**
Kitovu Technology Company	**Tripplo**
LOMBAZ Swift Ltd	**Tuverl - Smart Commuting**

Report

----

1. Introduction

In 2020, Seedstars and the Shell Foundation created a partnership that was co-funded by UK aid from the UK government. The aim of the partnership was to create long-term sustainable and equitable development and universal access to energy in the region of Africa through strengthening entrepreneurship in the access-to-energy (A2E) and sustainable mobility (SM) sectors.

It is well recognised that access to early-stage technical assistance is a crucial factor in determining the success of start-ups. An Endeavor Insights report that examined the fast-growing tech sector in New York City discovered that founders who received quality mentorship support were three times more likely to become top-performers than other New York-based tech companies. [2] SCORE, a large volunteer network of expert business mentors in the US, showed that mentored businesses were **12%** more likely to remain in business after one year compared to the national average [3]. Shell Foundation and Seedstars hypothesised that start-ups in Africa suffer from lack of access to such support and therefore struggle to access the funding they need to succeed.

For this programme, we developed tailored training and an in-depth mentor matchmaking process to provide early-stage (seed) tech start-ups with personalised, dedicated and need-appropriate support, free of charge to them. By outlining the practical details of the programme and highlighting the critical success factors that helped African entrepreneurs catalyse their growth, this report hopes to provide a blueprint for other entrepreneur support organisations designing similar activities in the region. The findings and recommendations are drawn from information provided by start-ups during the application stage, metrics gathered throughout the programme, feedback forms from start-ups and mentors, and our experience of managing the programme.

2. Ecosystem analysis

In order to assess the status of the A2E and SM start-up ecosystems in Africa, we created an application process that asked in-depth questions to the applying start-ups about their current experience of obtaining funding and advisory support.
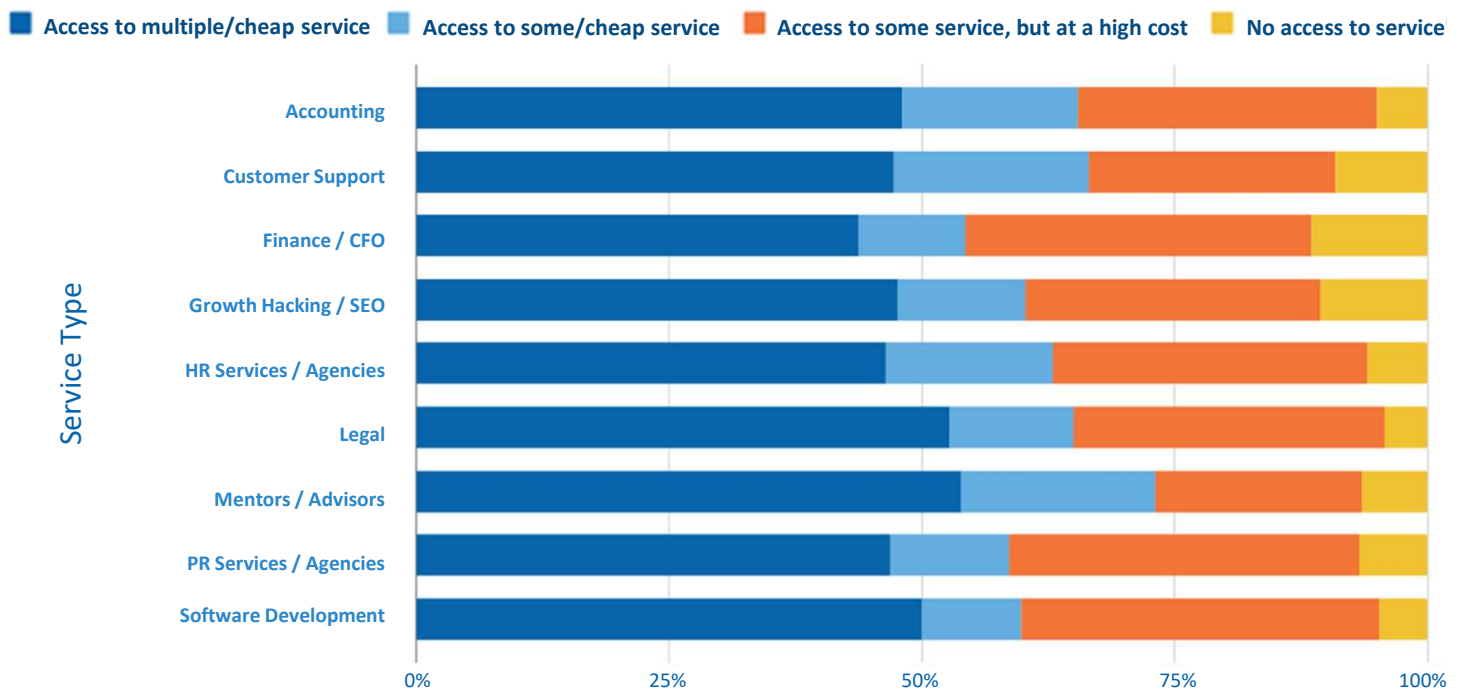
2.1 Accessibility of technical support

Contrary to expectation, **79%** of the 240 respondents had wide access to a range of professional services such as accounting, legal advice, software development and mentor support. However, **30%** reported that the costs of such support through commercial providers was too high for them to access. This was particularly true for countries in Central Africa, where 46 of 81 respondents (**57%**) reported these services as being too expensive. The graph below shows that accounting, customer support, legal and software development were the sectors most frequently reported as too expensive, while finance, growth, public relations (PR) and mentorship services were not available at all in this region. This suggests that there is a real need for more accessible mentorship and technical support.

----

[2] https://techcrunch.com/2015/03/22/mentors-are-the-secret-weapons-of-successful-startups/?guccounter=1
[3] National average refers to the United States

Figure 1. Accessibility of services in Central Africa

Figure 1. Accessibility of services in Central Africa

Legend: Access to multiple/cheap service | Access to some/cheap service | Access to some service, but at a high cost | No access to service

Service Type (vertical axis): Accounting, Customer Support, Finance / CFO, Growth Hacking / SEO, HR Services / Agencies, Legal, Mentors / Advisors, PR Services / Agencies, Software Development

2.2 Accessibility of mentorship

Unexpectedly, **96%** of the applicant start-ups indicated that they had engaged with a mentor within the three months leading up to the Investment Readiness Programme (IRP). Furthermore, they reported positively on those relationships, with **82%** reporting that the mentorship was 'extremely supportive', and **72%** reporting that their mentorship interactions were 'very effective'. However, the difficulties in accessing technical support seen above suggest these relationships, whilst supportive, may not have provided the structure and technical expertise required to improve the start-ups' capacity and confidence to apply for the funding they needed.
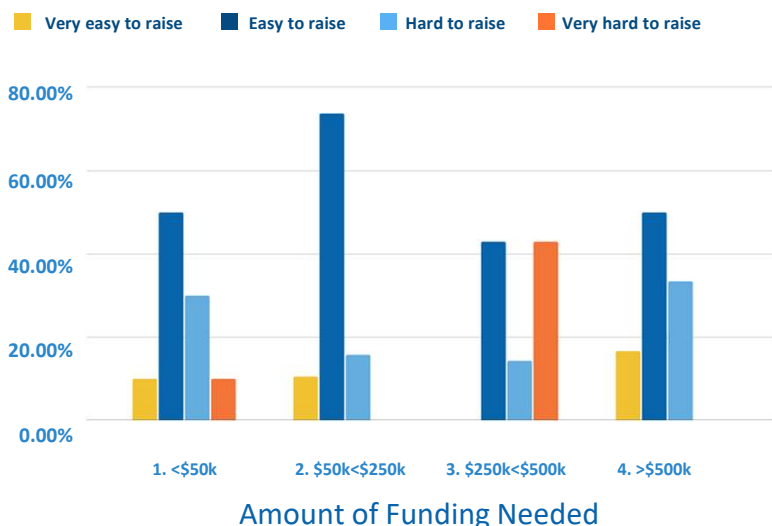
Programme design

The mixed messaging on accessibility and frequency of mentor and technical support led the programme to focus on a structured approach to providing free mentorship that was carefully engineered to match the start-ups' technical needs. During the course of the programme, mentors regularly met with their assigned start-ups using a consistent meeting format that included progress tracking against pre-agreed metrics that were appropriate to the individual challenges faced by each start-up.
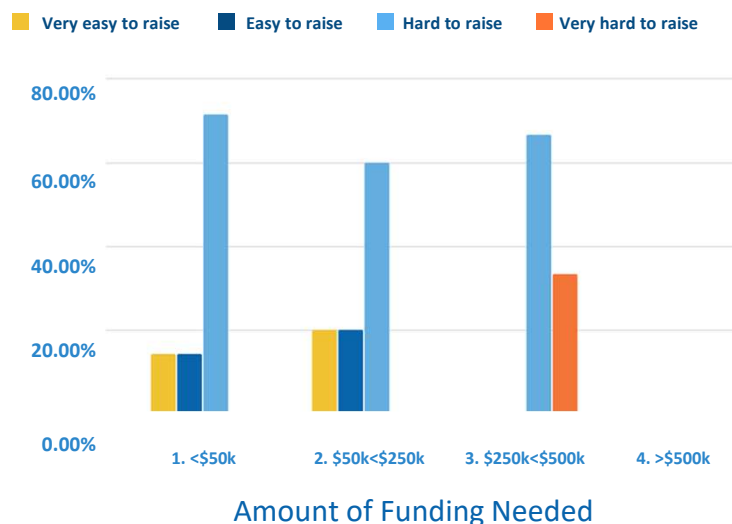
2.3 Ease of fundraising

When asked about their ability to raise funds, applicant start-ups did not report any extremes of 'very easy to raise' or 'very hard to raise'. The ambiguity of the start-ups' answers makes it difficult to draw conclusions about whether there is an early-stage funding gap in the sectors of interest. However, when the findings are broken down by sector, some sectors appear to struggle in raising investment of a certain size. For example, **40%** of energy sector start-ups report that they found it 'very hard' to fundraise in the upper-mid range size of $250-500K, with other sizes being easier for them. On the other hand, mobility start-ups report more difficulty in raising early-stage funding, with **71%** of them rating investment sizes of less than $50K as 'very hard' to fundraise for.

Figure 2: Availability of funding in the energy and mobility sectors

Availability of Energy Sector Funding in Africa

■ Very easy to raise ■ Easy to raise ■ Hard to raise ■ Very hard to raise

Amount of Funding Needed

Availability of Transport (Mobility) Sector Funding in Africa

■ Very easy to raise ■ Easy to raise ■ Hard to raise ■ Very hard to raise

Amount of Funding Needed

Programme design

The Seedstars IRP took this finding to mean there is still room for improvement in helping start-ups to fundraise. It therefore included dedicated training modules on fundraising strategy and pitch, and facilitated start-ups' pitch exposure to relevant stakeholders through direct meetings and a virtual start-up demo platform.

2.4 Programme cost effectiveness

There has been increasing demand for investment readiness support in sub-Saharan Africa as entrepreneurship and innovation grows. There are roughly 650 tech hubs that include accelerators, incubators, university-linked start-up support labs, maker parks, and co-working sites [4]. Although these hubs and institutional partners like GIZ, Growth Africa and Elevate are starting to integrate investment readiness programmes into their activities, these activities are still fairly new and are usually provided to start-ups free of charge or at a low cost of around US $100[5], with most of the funding coming from programme sponsors. It is therefore difficult to analyse how this programme performs on cost effectiveness compared to other early-stage investment readiness programmes. However, the costs associated with this programme (US $8,500 per start-up) are significantly lower than those associated with later-stage acceleration programmes. For example, the Seedstars Growth Programme costs an average of US $59,333 per start-up in developed markets, and US $22,625 in emerging markets.

What sets this programme apart from other IRPs is the time commitment and support structures used to create a highly personalised programme. The impact of this was seen in the feedback received about the mentor-mentee matching process and relationship successes (See Box 1). In keeping with the industry standard, and to ensure access to those most in need, we were able to offer this support free of charge to start-ups by using the partnership funding.

4 https://www.afdb.org/sites/default/files/2021/06/28/entrepreneurship_in_africa_-_may_2021_abridged_version_06_28.pdf
5 https://vc4a.com/sme-support-centre-limited/elevate-investment-readiness-program/

To learn first-hand about the experience of the matchmaking process and subsequent one-to-one mentorship, we sat down with mentor Mariann Konate, Senior Consultant at Axis Intelligent Strategy:
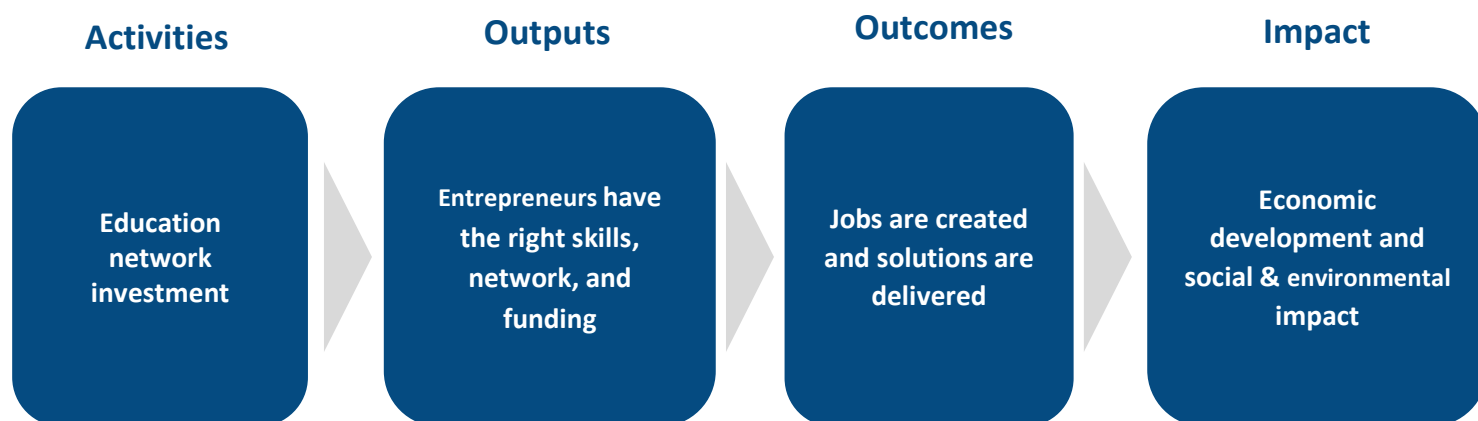
"The matchmaking process was a really interesting experience. The fact that I was able to talk directly with the start-ups was very enriching and, in addition to allowing me to better understand their problems, I was able to help them to develop suitable strategies to overcome the problems. For example, the start-up's self-assessment stage highlighted the main difficulties encountered by Solar e-Cycles that were hindering its development. We identified the aspects on which the start-up had to work to reach its objectives. We defined the goals concerning the projects that the company would be carrying out, and most were reached thanks to the implementation of concrete actions on the ground."

3. Programme approach

3.1 Programme theory of change

The Seedstars IRP was based on the theory of change (ToC) that **if** all participating start-ups are provided with appropriate mentor support and training, **and** they are introduced to appropriate stakeholders through the programme, **then** they will be well on their way to high growth, with the ability to create new jobs and impact their wider communities (See Figure 3).

Figure 3: Programme theory of change

Activities	Outputs	Outcomes	Impact
Education network investment	Entrepreneurs have the right skills, network, and funding	Jobs are created and solutions are delivered	Economic development and social & environmental impact

3.2 Programme set-up

The training was aimed at early-stage (seed[6]) tech and innovation start-ups addressing challenges related to access to energy (household energy, energy for business) thus contributing to sustainable agriculture and sustainable mobility (safe rural and last-mile mobility for people and goods) in Africa. In order to attract the right applicants, two awareness campaign efforts were conducted:

(1) A four-week long targeted email and social media campaign to the Seedstars Network. LinkedIn proved to be the best channel to achieve high campaign-interaction.
(2) An email/ referral campaign using a network database, reaching **2,500+** community stakeholders.

---

[6] Seed start-ups were defined as those who have raised tickets of $500k or less.

Start-up selection

The selection process consisted of a questionnaire to determine the start-ups' funding stage and growth potential, followed by an interview to further narrow down applicants. For this particular IRP, we were looking to source start-ups that could be potential candidates for our investment portfolio. The final application criteria and targets were as follows:

Criteria
- Geography: Africa (priority: sub-Saharan region)
- Stage: seed-stage start-up with a demonstrable product or service (Minimum Viable Product)
- Traction: initial traction in terms of users, revenue-generating
- Solution: sustainable and innovative start-up addressing universal access to energy related challenges (sustainable mobility, access to transportation, mini-grid, agriculture, etc.

Targets
- Female-led enterprises: 25%
- Sector split: 40% agritech, 30% mobility/transportation, 30% energy

A total of 20 start-ups were selected from 240 applicants. The cohort was made up of **100%** African founders and evenly split between the agritech (**35%**), energy (**30%**), and mobility (**35%**) sectors; additionally, **30%** were female-led. See Annex 1 for further details on the selected start-ups and their businesses.

Mentor-mentee matching

Due to the high costs of mentorship reported by start-ups in the ecosystem analysis, providing pro-bono access to expert mentors became a core element of the programme. The programme developed a five-step matching process to ensure the right expert was matched to each start-up according to their specific challenges:

Step 1: Challenge statements
Start-ups submitted their challenge statements through a form on the Seedstars Mentorship Hub. They were asked to list their biggest challenge to growth and the functional area of expertise that it related to (e.g. I am having trouble building my sales pipeline, B2B sales).

Step 2: Profile review
Each mentor received a list of the 20 participating start-ups with the details of the primary challenge they were facing. Similarly, each of the start-ups viewed the profile of the mentors that had applied to the programme using the Mentorship Hub.
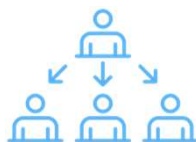
Step 3: Virtual speed-networking
With the profiles in mind, mentors and start-ups were invited to join a live speed-networking event held through Airmeet. Each start-up was assigned to a virtual meeting table, and the mentors moved from table to table to get to know their start-ups of interest. One limitation was that start-ups were not able to choose who they met with.

Step 4: Selection
Post-networking, mentors and start-ups were asked to fill in a form, selecting the top partners they would be happy to be matched with.

Step 5: Final match
With the results of the selection forms, we matched mentors with start-ups. Start-ups were matched with mentors that had also chosen them, taking the first choice of the start-up as a priority.

Several tracking tools were set up at the beginning of the programme to assess programme success. Attendance rates, control tower metrics, and start-up and mentor feedback forms were used to inform programme design and implementation throughout. The control tower consisted of start-up-specific key performance indicators (KPIs) that aligned with their individual goals, and a monitoring and evaluation framework created at the outset of the programme.

3.3 Programme delivery

The three-month long programme was based on Seedstars' general IRP methodology and library of educational materials. Consequently, the three principal activities of the programme consisted of:

Live Webinars	**1:1 Mentorship**	**Investor Demo**
Interactive training sessions on the specific topics presented on a weekly basis by experts to provide a **knowledge base in key growth areas such as team, product market fit, customer acquisition, fundraising and more.**	3 months of 1:1 mentorship where start-ups and mentors were given the freedom to schedule meetings when it worked best for them as long as the **meeting were regular and tracked start-up progress along the way.**	After all programme activities were completed, start-ups prepared a video that was placed on a demo website and shared with an **international network of investors who would book meetings with those that met their criteria.**

Having originally planned to only reach start-up founders, the COVID-19 pandemic allowed the programme to extend its reach to multiple members of the start-ups' teams through virtual delivery. It also increased the capacity of the programme to match start-ups with mentors and experts worldwide.

Based on the information provided by start-ups at the application stage, we tailored existing IRP content to the needs of the selected start-ups. Weekly webinar sessions were scheduled on topics relevant to the cohort. The topics that multiple start-ups were struggling with were prioritised and added to the programme curriculum.

The challenge areas identified:

- Team and leadership
- Unit economics and KPIs
- Legal processes
- Sales strategy
- Networking
- Fundraising strategy

The resulting programme agenda was as follows:

- How to have a 1:1 session with mentors
- 22 tips for investment readiness
- Team and leadership
- Product and market
- Growth: unit economics & KPIs
- Revenue and building a scalable sales funnel
- Fundraising terms, process, documents
- Pitching for investors
- How to protect your intellectual property
- The ins and outs of the due diligence process
- Property rights in data
- Fundraising strategy

These weekly training sessions were mixed with a peer-to-peer networking session, and the start-ups were invited to join boot camp activities that took place at the global phase of the Seedstars World Competition, further increasing their network connections.

Two expert sessions were also incorporated into the programme agenda as the start-ups were looking for deeper connections to their local sector-specific ecosystems. As such, we brought in two Shell Foundation portfolio companies, Max.ng – represented by its co-founder Tayo Bamiduro – and BBOXX – represented by its Chief Commercial Officer Anshul Patel – to share their personal start-up journey with the cohort. Legal experts from the International Senior Lawyers Project (ISLP) were also brought in to share their expertise in two webinar sessions. In parallel, the 1:1 mentorship sessions took place on a regular basis throughout the course of the three-month programme.

Box 2: A start-up's experience of the 1:1 mentor relationship

Founder Joyce Kibe of Green Innovation Ventures Enterprises Limited (GIVE) provided us with her take on how her relationship with her mentor, Eni Olatunbosun, worked throughout the programme to enhance her start-up's growth. She notes five key factors:

1. *Clear goals:*
   The mentoring sessions were well directed. Setting meeting goals by discussing the needs of the company and its stage of growth early on made it easy to plan for each session.

2. *Methodology:*
   We had a chance to decide what our priorities would be with the help of Eni. The sessions utilised discussions, presentations, Q&A and there were guest mentors that Eni went out of her way to bring on board with different expertise.

3. *Relevant and informative training sessions:*
   Since our needs had been well defined, we found the learning value from the sessions to be very high. We managed to see risk management in a new light – not just as something to mitigate and reduce the impact of, but something that can create an opportunity and increase our company's competitiveness. We are now looking at how we can manage risks in the solar energy space where we are engaged and thereby prove that we are better than our competitors. As we are also in the hiring process, the session on HR management has helped us to apply what we have learnt in shortlisting for two advertised positions. Our session on growth strategy also led us to think more clearly about our path to scale, and the need to build alliances with utility companies. We are sure that in the next 12 months, there will be at least one utility relationship with one main utility company in East Africa.

4. *Relationship:*
   Eni created an easy and open space for engagement. We were relaxed and at ease as we spoke, it did not feel like a 'teacher student engagement' and this made the sessions very productive.

5. *Metrics tracking:*
   It was great to track our progress weekly in the control tower based on the goals we had indicated a week earlier. Every week we listed the results from the last meeting and goals for the upcoming ones. It was very satisfying to see the goals and challenges met during our interactions with the mentor and in our operations.

Other surrounding activities to set up the programme for success included:

1. **Mentor training**

To maximise the impact of the mentor-mentee relationship, all mentors were invited to participate in a mentor training that took them through what to expect and provided them with tips on how best to support their start-ups, which included a specific gender lens focus.

2. **Online library of learning materials**

Notion was used as a platform for start-ups to access an online library of supporting materials. Start-ups could download guides and view recordings in their own time and beyond programme closure.

3. Capacity building and metrics tracking:

To measure their progress towards investment readiness, each start-up had to identify personalised KPIs to track their progress towards their pre-identified goals.

Mentors and start-ups were also asked to fill out a mid-programme feedback questionnaire so that the programme could be adjusted to better address their needs. They were asked to provide feedback on:

- webinar content comprehension,
- number of 1:1 mentorship meetings,
- start-up and mentor performance during the meetings,
- missing elements and red flags.

4. Demo website

Initially, investor interactions were planned to be through demo day presentations made by the start-ups to investors who attended a live virtual event. However, after a year of virtual demo days, we found that investors were experiencing fatigue from such events. Instead, a tailored website was created where investors could access (1) an overview of the programme, (2) a summary of each start-up, (3) pitch videos, and (4) a meeting request form. The website was then sent to relevant international investors from the Seedstars and Shell Foundation investor networks. It was explained that investors could view the start-up pitches on-demand in their own time, and that they could directly request a meeting with start-ups that fit into their investment criteria by filling in the short form on the website.

Box 3: A start-up's investment success as a result of programme mentoring

Direct access to funding opportunities was one of the primary objectives of the programme. Christopher Maara, founder of Kiri, was able to do just that. Below is his take on why he chose his mentor, Marc Israel, and how it turned out to be one of the best decisions he made in a long time.

Why did you choose your mentor?
I liked Marc, because he had the relevant experience and also because he has been to Kenya/East Africa and worked in the region, which meant he understood the markets and how they function.

Do you feel that you were a good match with your mentor?
Yes, it was a good match, better than I expected. Marc had a good combination of experience professionally and also as an entrepreneur, so he understood the difficulties of where we were and how progress in my sector in particular can be slow in the early stages.

Did the programme help your start-up in its growth?
Yes it did! Through our mentor we refined our go-to-market strategy and worked on ways to get more tangible traction.

Can you tell us a bit about the investment that you are working on with Marc?
Marc, through Mo Angels, an Angel Investment Group, is carrying out due diligence on Kiri EV to provide us with pre-seed/seed funding, which should really accelerate our growth and help us increase our operations. This will also help us pull together a few more angel investors that are currently interested in investing alongside Mo Angels.

How did the investment come about?
Marc gave us (Kiri) the opportunity to pitch for Mo Angels, they have start-ups pitching to them every week and the top pitches are selected for further investment. This turned out great for us as the pool of investors on the pitch day were interested and decided they would like to make us an offer of investment.

How much will the fund invest?
We are still waiting on the due diligence to be completed so we can get an offer and exact amount they are looking to invest.

What does the investment mean for your company and its growth?
This will help us expand our operations and put more electric motorcycles on the road. Our business is capital intensive, but with the help of Marc we have been able to come up with a few growth hacking strategies that the investment will help us implement.

Any additional comments?
The Seedstars and Shell Foundation IRP has been great for us, it really did help us become more confident in our business strategy and make us more investable. We have solidified the founding team and created strategies that we believe over the next six months will really show the value of the mentorship programme as the results filter through.

4. Key findings and recommendations

In conclusion, the programme received an average Net Promoter Score of **81** (out of 100) from the start-ups, and **8.2** (out of 10) on how much the programme had helped them to improve and grow their business. A total of **162** KPIs were achieved, more than **35** experiments run, **77** meeting requests were received from investors, **1** start-up received direct follow-on investment, and an additional **11** investors started tracking start-ups' growth, as they were too early-stage to initiate conversations. Additionally, **88%** of the start-ups reported having ongoing conversations with investors introduced to them through the programme. In line with the theory of change expectations, the participating start-ups had also hired **39** new employees during the course of the programme, **29** of which were female.

Overall, these indicators show that tailored programmes such as this can contribute to the investment readiness of African-led start-ups and increase their ability to create jobs. We plan to conduct post-programme follow-up six months and one year after the closure of the programme to track the progress of investment conversations and continued growth.

Based on the tracking tools and the internal team's experience in running the programme, **nine** key lessons were identified for similar investment readiness programmes in the future:

4.1 Programme set-up

Key finding 1: Pipeline enlargement is needed in the region
Of the 240 applications, a majority came from three countries: Nigeria (**36%**), Kenya (**14%**) and Uganda (**7%**). The small number of applicants from other countries suggests that there are few start-ups working in A2E and SM across the continent, or that existing start-ups are not yet ready to participate in an investment readiness programme.

> **Learning**
> Prior to running investment readiness programmes, start-up support organisations could invest in pre-IRP activities such as hackathons, skills training and incubators, to kickstart the start-up economy across the continent and increase the number of start-ups ready to participate in investment readiness programmes. Targeted sourcing could be done to reach countries that have smaller ecosystems through ads or referrals using known networks.

Key finding 2: Pre-determine start-up selection criteria
Investment readiness programmes can attract hundreds of applicants and narrowing down the selected participants can be a lengthy process. Although the Seedstars IRP did develop selection criteria with the Shell Foundation prior to the application launch, the criteria could have been even more targeted to the Shell Foundation's need to find more relevant start-ups.

> **Learning**
> Clearly define specific selection criteria for identification of start-ups with all stakeholders prior to launching the campaign. Interviews should be conducted with identified promising applicants to assess their growth potential and communicate the expectations of the programme.

Key finding 3: Communication style, network size and existing relationships are key to attracting mentors
Two networks of mentors were drawn upon for this IRP. Although both networks received the same programme details - an overview of the programme, its partners, the role of the mentor, time expectations and functional and industry expertise sought – the pre-existing relationships, communication method and network sizes differed significantly, resulting in very different responses from network members.

The programme received **38** applications from mentors in the <u>Seedstars Mentorship hub</u>, with 1,300+ mentors continuously engaging through an interactive advisory support hub where they can respond to direct start-up requests on topics of interest, receive updates about ongoing opportunities in new Seedstars programmes, and receive news and networking opportunities. The Seedstars hub used the platform to advertise the opportunity, giving mentors two weeks to apply, and sent frequent reminders through a mentor WhatsApp group. In comparison, the Shell Foundation sent email requests for mentors to the Shell Africa Network (containing less than 50 members) and ad-hoc requests to Shell employee volunteers, resulting in **13** applications.

Learning

Communication content: The success of mentorship pairs is dependent on the clear setting of timeline and expectations of mentor input from the start. It is important to emphasise the impact that the mentorship will have on the start-up's growth and the mutual benefits that can be gained by the mentors and start-ups.

Communication context: Pre-existing interactive relationships, engaging follow-up, and a clear application process can lead to more applications from appropriate, highly-engaged mentors.

Key finding 4: Provide mentor training

Due to the variance in mentor experience, feedback on the mentor training module was mixed. However, even the most experienced mentors reported having appreciated being able to access the networking and information sharing opportunities provided in the mentor training. Less experienced mentors gained from the information shared on how to manage their relationship with the start-ups, particularly in helping them understand which category of mentoring they were under. All participants benefited from the open discussion with other mentors to share feedback, ideas, experiences and best practices.

Learning

Future mentor training could benefit from more industry specific information to inform mentors if there are any gaps they could fill, the inclusion of a classification of start-up expectations (such as investment, growth, etc.), increasing the interactivity of the training, providing more opportunities for networking through breaks or breakout rooms, being broken down by topic or stage of mentorship, and sending an agenda prior to the training. Additionally, on-demand materials such as short pre-recorded videos and mentorship toolkits could benefit the less-experienced mentors. Mentor pairing (of less experienced with more experienced mentors) could also provide useful support for new mentors to ask questions and receive tips at specific points throughout the programme.

Key finding 5: Invest in a comprehensive mentor-mentee matching process

The success of the five-step matchmaking process was noted in positive feedback about the matching experience, and even more so by the overall experiences of the 1:1 mentorship. On average, **94%** of mentors reported being well matched with their start-up, and start-ups equally rated an average of **9.3/10** on satisfaction for this part of the programme.

Learning

Providing a clear overview of the start-ups' needs to the mentors and start-ups' access to mentor profiles prior to a live speed-networking event is key for the success of the mentor-start-up matches. A recommendation for future IRPs is to integrate pre-match networking and use platforms, such as the Seedstars Mentorship Hub, to streamline matchmaking activities and help start-ups find relevant domain experts who can help them achieve their growth objectives.

4.2 Programme delivery

Key finding 6: Tailor, track and adapt throughout the programme
The initial needs assessment helped us analyse the specific business stage challenges of each start-up to inform the final curriculum and mentor training sessions. Regular reviews of the mentor-start-up matches and training content helped inform adjustments when matching or training content was not successful. For example, during the programme, it became apparent that one start-up had not met with their mentor due to time conflicts. In response, the programme team was able to re-assign the start-up to a new mentor. Some start-ups were not putting in the same amount of effort into the mentor-mentee relationship as others, and the facilitators were able to spot this, contact them, understand the barriers, and re-assign the start-up to a new mentor when it was appropriate. The needs of some start-ups also changed as they learnt through the programme, resulting in them requesting additional support from mentors with additional expertise.

Learning
Being able to spot the start-ups needs at the beginning of the programme, and also tracking how they change throughout the programme is a crucial aspect in providing comprehensive and personalised support that can lead to fast start-up growth.

Key finding 7: Set up a programme content library
Start-ups made use of the online library to inform decisions and actions towards their goals. Notion proved to be an easy-to-use tool for start-ups to revisit learning materials even post-programme.

Learning
Providing a user-friendly content library that houses all presentations used in the live sessions, as well as the session recordings can help start-ups sustain the lessons gained from participating in the programme. It gives them a chance to review the content in their own time and/or share it with their team at large.

Key finding 8: Maximise the opportunities for investment to incentivise start-up participation
Although the programme received good engagement from start-ups, feedback forms at the end of the programme highlighted the need to include even more networking activities and physical sessions, as well as more in-depth content on financial management and monetary incentives.

Learning
Include as many opportunities as possible for start-ups to network and engage in fundraising opportunities. Future programmes could also explore incorporating grants or specific funding to cohort start-ups to compare the effect on their participation and growth rates. Providing monetary or prize incentives could increase the attendance rates as well as avoid the slight drop-off that occurred towards the end of the programme. Involving investors early on in the programme to identify the gaps for start-ups to work on during the programme could also increase the chances of end-of-programme investment.

Key finding 9: Facilitate investor-start-up interaction through online methods instead of events
For this IRP, the Demo Day Website resulted in a higher number of meeting requests than we normally see through virtual demo days, and investor feedback indicated that they preferred this method of viewing start-up pitches.

5. Conclusion

The gaps in advisory and funding support hypothesised prior to the launch of this programme proved not to be as widespread as imagined, at least in the small sample analysed. However, the quality of services that do exist are not consistent and many start-ups in the access-to-energy and sustainable mobility sectors struggle to access them due to their financial costs.

Seedstars provided an example of how to run a high-quality investment readiness programme that can support start-ups with consistent, tailored training and mentorship at a relatively low cost. It is still early to understand the long-term impact that this programme has had on start-up growth and investment opportunities in Africa. However, high interaction with the pitch platform created as part of the programme and ongoing conversations with investors offers an indication that this method of start-up support (as part of a comprehensive IRP) could help start-ups in Africa move one step closer to becoming high-growth companies that have a wide impact in their communities.

We plan to continue to provide comprehensive, personalised investment readiness support for A2E and SM start-ups in Africa through mentor matches and the demo website. Based on the learning from the programme, and in order to increase the growth potential of the selected start-ups and strengthen their chances of acquiring follow-on funding from investors post-programme, the following actions are being considered for a new proposed cohort of start-ups in 2022:

1. Introduce investor interaction at the start-up selection stage for investors to help identify the gaps that start-ups need to address over the course of the programme. **Aim: to increase the chances of investment post-programme.**

1. Reduce the cohort size to 10 – 15 start-ups and intensify hands-on support through a longer, six-month programme. **Aim: To allow time to implement programme learnings and demonstrate commercial impact of the investment-readiness support.**

2. Provide grant support through the program to the selected start-ups. **Aim: to tangibly enhance start-up growth by providing them directly with the funds they need to tackle their most pressing growth barriers and subsequently increase their chances of follow-on investment post-programme.**

Annex 1: List of selected start-ups

Start-up Name	Sector	Country	Elevator Pitch
Agrovine Engineering	Agri: Agri Tech	Sudan	Agrovine aims to localize sustainable agriculture in Sudan by enhancing crop productivity without harming the environment.
AquaFarms Africa	Agri: Agri Tech	Guinea	Our vision is to reshape Africa's economic destiny by using aquaponics to catalyze food security and youth employment across the continent.
Crop2Cash	Agri: Agri Tech	Nigeria	Crop2Cash has built the operating system for agricultural lending that unlocks billions in finance for farmers.
gnuGrid Africa	Energy: Clean Tech	Uganda	We help financial institutions reduce their default rate and non-performing loans by identifying high-risk borrowers through a Credit Reference Bureau (CRB). We also help borrowers to track their loans through a mobile app leveraging feature-phone and offline capabilities.
Green Innovation Ventures Enterprises Limited	Energy: Clean Tech	Kenya	Energy and technology start-up providing end-to-end PAYgo and Energy as a Service (EaaS) management solutions to remote last-mile manufacturers, customers, distributors, and sales agents in East Africa.
InsurePay	Financial Services: Fin Tech	Zambia	Fin Tech start-up providing input finance and access to markets for smallholder farmers in Zambia.
Jirogasy	Industrial/Manufacturing: Electronics Manufacturing	Madagascar	Jirogasy focuses on creating innovative tech made in Africa that provides full access to lightning & digital to African people living in off-grid areas while communicating with them
Kiri EV Ltd	Automotive: Electric Vehicles	Kenya	Kiri EV offers holistic end-to-end affordable and clean energy mobility services, from electric motorcycles, scooters, and tuk-tuks to battery swapping stations across Kenya and Africa. We help increase our riders' earnings while lowering their carbon footprint, making our cities greener, healthier, and more sustainable.
Kitovu Technology Company	Agri: Agri Tech	Nigeria	Kitovu enables smallholder farmers to cut down input costs, increase yields and sales by providing them with precise inputs, personalized soil and crop health insights, and market linkages.

LOMBAZ Swift Ltd	Supply Chain: Logistics	Nigeria	LOMBAZ swift is a delivery and mobile-based courier service platform connecting users who want to send/receive tangible goods, items, parcels, and consignments to our verified independent deliverer. In a broader view, LOMBAZ Swift is designed to manage the transportation of goods, items, parcels, and consignment from one location to another, thereby eliminating the long existed barriers of inter-state delivery, inter-rural delivery, and inter-village delivery, and from more developed town to another underdeveloped town in Nigeria and far beyond.
Moja Ride	Urban Development: Smart Cities	Côte d'Ivoire	Public transportation in African cities is expensive, unsafe, unreliable, and mostly informal. Moja Ride enables digital transportation.
Pickmeup Technologies Inc.	Travel & Transport: Transport Tech	Nigeria	Pickmeup merges everyday personal needs into an easy-to-use digital platform for emerging markets, starting with mobility.
Plug'n'Grow	Agri: Agri Tech	Egypt	We offer customers financial opportunity through our "Food Factories" that economically and sustainably multiply agricultural production up to 25x, reduce water consumption by 90%, and come at 50-70% lower cost than alternative solutions.
Powerlive Zimbabwe	Energy: Clean Tech	Zimbabwe	Powerlive is a social enterprise that makes affordable clean energy to remote rural off-grid communities through a PAYGO model
Routemasters	Travel & Transport: Public / Mass Transit	Nigeria	We use unique algorithms to help users plan and navigate public transport journeys in emerging cities
Rural Farmers Hub	Agri: Agri Tech	Nigeria	Rural Farmers Hub is helping farmers grow more nutritious food profitably through our personalised crop intelligence solution called Capture™, guiding them on optimal farming decisions and timing.
Solar e-Cycles Kenya Ltd/ETukTuk Limited	Automotive: Electric Vehicles	Kenya	We bring together solar power, e-mobility, and the internet to deliver solutions that create jobs, increase productivity while protecting the environment.
Solaristique Nigeria	Energy: Solar Energy	Nigeria	We recycle old refrigerators into solar refrigerators with IoT and MIS for SMEs[1], households, and Farmers
Tripplo	Supply Chain: Logistics	South Africa	Tripplo facilitates the safe & efficient movement of road freight cargo across the SADC region & provides automated tools to ensure km-by-km efficiency in moving the cargo.
Tuverl - Smart Commuting	Travel & Transport: Public / Mass Transit	Zimbabwe	Tuverl is an app that seeks to make Public Transport cheaper and more accessible to millions of commuters across Africa.