Supporting Young Entrepreneurs: What Works?

An Evidence and Learning Review from the YBI network
About Youth Business International

Youth Business International (YBI) is a global network of not-for-profit organizations which help underserved young entrepreneurs (18–35 years) to start and grow sustainable businesses, and create jobs.

Our network of 47 independent member organizations around the world provide entrepreneurs with expert local support tailored to their needs. This can include financial support, mentoring, training and other business development services.

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Foreword

Approximately 43% of the global youth labour force is either unemployed, or working but living in poverty.1 More than 73 million youth are unemployed – making up 37% of the global unemployed. However, as reported by the ILO, many youth don’t identify with labels like the “lost generation” or “a generation in crisis”. The Youth Business International network can attest to this. Our 47 member organizations around the world support aspiring and existing young entrepreneurs to start up and grow businesses. Effective training and mentoring interventions, among others, lead to empowered, skilled and confident young entrepreneurs who positively impact their families, local communities and economies. However, what makes entrepreneur support effective? Very little information exists about what kind of support works best.

Thanks to the support from our partner, EY, YBI has created a Learning Review of 10 practical lessons we have learned from our program implementation over the past five years. We hope that this Evidence and Learning Review (including our successes and challenges) will contribute to emerging learnings in this sector as well as help shape more impactful program design and delivery in order to better help more youth more effectively.

Andrew Devenport,
CEO, Youth Business International

About the YBI-EY collaboration

Since 2012, EY has supported YBI with valuable nonfinancial and financial support. In 2014 and 2015, EY provided more than 500 days of pro bono consultancy support to help transform YBI’s performance management and accountability process. This key performance indicator (KPI) process enables YBI to collect live data on the support offered to more than 35,000 young entrepreneurs every year across the YBI network. EY’s support has helped YBI establish an effective set of KPIs from around the network. By helping members to demonstrate the impact of their work more effectively, YBI member organizations are able to attract more investment that will support and scale their work with young people.

EY’s purpose is to build a better working world – a purpose we don’t take lightly. Our work with YBI is a great example of how we can bring this to life, by leveraging our core consultancy skills across data analytics and performance improvement to really make a difference.

Over the last five years, EY has been working with YBI’s central network team on a pro bono basis to develop their performance management and analytics strategy. Our work together is helping YBI to unlock the insights contained in the data their members collect from around the globe and to make sure that the resources of the network are deployed where they will enhance the benefit to young entrepreneurs and continue to drive growth and empower innovation.

At EY, we understand that one of our most powerful impacts lie with helping entrepreneurs grow and succeed, both locally and globally. This report provides valuable insight into the impact YBI’s programs have had on entrepreneurs, and I hope you find the lessons learned applicable and practical, specifically the importance of training, mentoring and family support.

David Lindop,
Financial Services Advisory Partner, EY

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It is not easy to ignore the fact that 73 million young people around the world are unemployed; and 156 million young workers live in poverty. Quality interventions to support young entrepreneurs are needed more than ever.

Many initiatives exist to promote youth entrepreneurship as a solution to global socioeconomic development goals, but there is still a gulf in evidence concerning what works best to support young entrepreneurs in different contexts.

The Youth Business International (YBI) Network operates in over 40 countries and brings a unique, global point of view on youth entrepreneurship programming. Our Network Members work in diverse contexts with the shared mission of helping underserved youth to start or grow their own business.

We have undertaken evidence and learning activities across East Africa, the Eastern Caribbean and Europe. In doing so, we have surfaced some valuable ingredients in implementing successful youth entrepreneurship support initiatives.

Supported by EY, this review aims to consolidate some learnings, successes and challenges which have emerged from YBI’s work over the past five years. Our intention is to contribute practical learning to expand the knowledge base of what works in the growing youth entrepreneurship sector.

There is no golden guarantee of what makes a successful programme. The lessons shared in this review represent learning we have seen repeatedly, regardless of the context. We hope they will guide fellow travellers who share our mission of turning job seekers into job creators.

Executive summary

Lessons learned

1. Young entrepreneurs’ mindsets matter. Programs must nurture attitudes; these are central to business success.

2. Program design should be underpinned by sound market understanding. This increases the likelihood of beneficiaries’ business success and sustainability.

3. Entrepreneur skills training has a wide-ranging and long-term positive impacts for beneficiaries regardless of business creation. For entrepreneurs, it also helps unlock access to finance.

4. Vocational and entrepreneurship support complement – rather than compete – with each other. Where possible, different interventions should work together for added value and impact.

5. Youth entrepreneurship support programs need depth: beneficiaries who receive repeated 1:1 support over a longer period of time create more profitable businesses.

6. Mentoring programs must be thorough in order to maximize beneficiary impact. They need long-term investment, resourcing and very careful planning.

7. Programs should help young entrepreneurs explore alternative funding models, e.g. crowd funding and savings groups.

8. Programs must carefully engage communities and families from the start. Local support networks can “make or break” youth entrepreneurship interventions.

9. One size does not necessarily fit all. Programs should adapt their services so female beneficiaries get the support they need, e.g. dedicated gender targets; promoting role models; undertaking community gender training.

10. Invest in effective technology to support program monitoring, evaluation and learning: It saves time, improves performance, enhances risk management, and aids decision-making.
Lesson 1: Don’t underestimate the power of attitude

"96% of the respondents (strongly) agree that [the intervention] has made them more confident about their chances of succeeding with their business... participants reported greater self-confidence, independence and ambition, together with decreased reliance on handouts and increased proactivity.

Independent mid-term review of YBI and Enterprise Uganda’s DFID Uganda-funded program

Atitudes towards entrepreneurship should not be underestimated. Support initiatives must take the time to nurture entrepreneurial mindsets. This has proved central to business success.

Motivation and proactivity are crucial for entrepreneurial success. Starting a business can be a big risk. An entrepreneur often works alone and faces many challenges along the way. Young entrepreneurs are often going against society and may be a viable career option.

Motivation to take the leap and to keep going is crucial. An independent mid-term review of a YBI member intervention in Uganda found that the motivational component was crucial to providing the initial push to engage in a new business or to expand the existing one. Research shows that individuals who are confident that they have the skills to start a business are four to six times more likely to act.

While possessing the right skills is essential, confidence plays a central role in motivating entrepreneurs.

Changing mindsets and encouraging entrepreneurial attitudes is central to helping youth identify potential opportunities. Ninety-seven percent of participants told independent evaluators in Uganda that training had made them more aware that entrepreneurship can be a viable way to make a living. The motivational modules of the training were often identified by participants as the single-most important component to their success.

The most widespread attitudinal barriers to successful youth entrepreneurship include beliefs that:

- Lots of capital and financial resources are needed to start a business.
- You need to “start big” to succeed.
- Entrepreneurship is inferior to salaried employment.
- The risk is too great.

Enterprise Uganda spends considerable time addressing these attitudes. Crucially, core messages are continually repeated throughout the intervention. Family and community members are engaged from the outset. The training makes strong use of role models. Facilitators emphasize that:

- Starting a business does not require a large amount of initial capital.
- Saving and re-investing profits is a sustainable approach to finance start-up or expansion of businesses.
- Entrepreneurship is by no means inferior to salaried employment.
- Young people should not rely on handouts and have the power to shape their own chances.
- Work ethic is essential to achieve success.
- Entrepreneurs need to resist pressures from family and wider community to give up on their business.


Lesson 2: Market intelligence: get it right and from the start

Youth entrepreneurship interventions should be based on solid market awareness.

Although reliable market assessment is difficult in some contexts, accurate market information helps to increase business success and sustainability.

Independent mid-term review of YBI and Enterprise Uganda’s DFID Uganda-funded program

We've found that without accurate market information, a young entrepreneur can often end up picking the wrong business. Imitation is common. This can lead to an unhealthy level of competition in an overly crowded market – a common cause of business failure.

Nairobi-based YBI member, Kenya Youth Business Trust, noticed a pattern. Small or one-person businesses reliant on repeat sales of low-value stock, such as second-hand clothes, tend to be vulnerable to any type of disruption such as absenteeism or constraints to re-stocking. There were too many micro-entrepreneurs trying to compete in the same sector.

A lack of accurate understanding of the different economic opportunities and challenges has proven to be a limiting factor for many interventions. YBI research and independent evaluations have repeatedly recommended an increased focus on market intelligence. Grounding interventions in sound market analysis can facilitate sign-posting of youth to business sectors that are growing, that have promising profit margins and that are not at risk of market saturation.

However, getting hold of accurate market intelligence is difficult and expensive in certain contexts. When commissioning a large-scale market analysis study in Northern Uganda, YBI found that accurate data was hard to come by. Formal structures and systems for gathering market intelligence were few and far between. Traders rarely kept accurate business records. There was also significant variety between different regions. Crucially, the process took much longer than expected and the data wasn’t available until it was too late to inform the intervention.

For instance while agriculture was identified as a sector with great potential, it is not attractive to young people and often seen as inferior.

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What we’ve learned:
1. Gathering quality market intelligence can be a long process. Factor this into program planning schedules.
2. Sound market intelligence can be expensive: factor these costs into the program scoping and planning stages.
3. Where possible, connect with local private sector players to help generate accurate market intelligence.

Entrepreneurship skills training has far-reaching effects for beneficiaries, regardless of whether or not they start a business. For young entrepreneurs, skills training alone does not guarantee business creation but it is a core ingredient for success. It has also proved valuable in helping to unlock access to finance.

Stand-alone entrepreneurship skills training is not always effective...

Skills training interventions have been found to be mostly ineffective when delivered as a standalone service. Evidence from some YBI programs also supports this. For example, in Uganda, skills training alone appeared to have no effect on business performance. In Kenya, the start-up rate for those who received training plus a loan was higher than for those who only accessed the training. They also saw more associated benefits, such as increased household incomes compared to the ‘training only’ group.

“...the training seemed to be surprisingly effective at transforming people’s lives... The training was valued with respect to business planning and especially book-keeping and budgeting skills and is being applied in several different contexts.” Training also plays an important role in increasing the confidence of young entrepreneurs. Eighty-four percent of young entrepreneurs in Kenya, “...felt more confident running their business”.

By contrast, in Uganda, skills training alone appeared to have no effect on business performance. For example, in Uganda, skills training alone appeared to have no effect on business performance. In Nairobi, about 37% of those with no training said they would start a business, compared to only half of those who received training support.

Similarly, youth in the Eastern Caribbean rated entrepreneurship skills training as the “most useful” service accessed in two of the three countries surveyed.

“Seventy percent of young entrepreneurs say that improved financial literacy is the main business benefit on non-financial support.”

YBI, 2011 Global Youth Entrepreneurship Survey

Skills training can open up access to finance

Training on entrepreneurial skills can contribute to lowering the risk of lending to young entrepreneurs. The value of non-financial support, of which training is a large part, can substitute for collateral and other types of guarantee, opening up options for young entrepreneurs to access finance. In Uganda, the majority of youth who had received training support were able to secure a loan, compared to only half of the non-participants interviewed.

We can see the benefits of training beyond business

In Nairobi, about 37% of those with no businesses also reported an increase in household income. They attributed this to the training that allowed better money management within the household. Evaluators saw “significant long-term benefits derived from the training.”

Young were applying the principles to improve personal financial management. This was even more striking among women, who reported improved status in the community and increased awareness of household financial management as a result of the training.

Lesson 3: Training: Not “King” But a Core Ingredient for Success

10 11

9. Ibid.
10. Ibid.
11. YBI, (2011). ‘Youth Entrepreneurship: Closing the Gap. How non-financial support is increasing access to capital for young entrepreneurs, with five cross-sector lessons’
12. Ibid.
15. Ibid.
Lesson 4: Collaborate! Vocational skills and entrepreneurship training can enhance success

Vocational and entrepreneurship support interventions complement—rather than compete—with each other. Where possible, different interventions should work together for added value and impact.

Youth with solid vocational skills as well as the knowledge of how to run and grow a business may be more likely to succeed.

Vocational skills training focuses on training for a specific vocation or industry, such as welding or carpentry, and can equip young people with essential skills to build a livelihood. However, young people may not have the knowledge and ability to make these skills profitable. We've found that a combination of youth entrepreneurship training, which focuses on the knowledge and skills necessary to run a profitable business, with vocational skills can be powerful for building more sustainable livelihoods.

Enterprise Uganda collaborated with Voluntary Services Overseas. The two organizations signposted youth between the vocational and entrepreneurship interventions to provide a comprehensive package of support that includes deep, practice-based entrepreneurship and attitudinal training with vocational skills-building. The programs learned that it is crucial to incorporate entrepreneurship as a key part of vocational training rather than as separate interventions.

Youth Business Mongolia links youth with vocational training centres run by the Ministry of Labour. Government funding is available to unemployed and income-poor youth to help them afford the training. As part of the funding application process, the young entrepreneurs need to submit their business plan, which Youth Business Mongolia helps them to write. This helps to make sure that youth have both a technical skill and a solid business plan to be able to use this skill to improve their livelihoods.

It could be argued that the best possible solution with the highest return on investment would be to create synergies; to create a synergized program—whereby the young people who graduated from... vocational institutions are then enrolled in the program to expand their entrepreneurial skills-base. This would make sure beneficiaries are both highly skilled in their profession and have the capacity to grow and expand their business through improved entrepreneurship.

Independent mid-term review of YBI and Enterprise Uganda’s DFID Uganda-funded program

YBI member in Uganda established a small pilot collaboration with the international charity Voluntary Service Overseas (VSO) to combine vocational skills training with entrepreneurship training and saw promising results. Young entrepreneurs in Kenya have similarly told us that additional vocational training and apprenticeships would have better prepared them for business success.

Practical implementation

Not all implementing organizations will be in a position to provide both high quality entrepreneurship support services as well as vocational skills training. We believe that collaboration could be the best way to achieve this.

“After the initial training, I joined Youth Business Mongolia business club meetings, which helped motivate me and make my idea more concrete.”

Purevdorj Enkhjargal
Lesson 5: Invest in more 1:1 support to create more profitable businesses

Youth entrepreneurship support programs should offer beneficiaries a combination of services over longer time periods. Young entrepreneurs who receive repeated and individualized support over time have much higher chances of creating profitable businesses than youth receiving limited one-off support. In addition, a young entrepreneur who receives comprehensive nonfinancial support is also more likely to be considered for loan support.

For this intervention, youth “self-selected” to attend additional follow-up trainings. Also, high-flyers were deliberately chosen for mentoring in a bid to make the best of limited resources. It’s very possible that unobservable characteristics such as levels of commitment influenced the outcomes. However, even after multiple checks and regression models, evaluators found that the only observable factor to have an effect on business sales was the intensity of support received.

“The intensity of support directly correlated to positive outcomes … the more intensive the capacity building the more sales they earned each month.”

Independent final evaluation of YBI and Enterprise Uganda’s DFID Uganda-funded program

Of course, provision of this additional support is more expensive. In this case, it cost almost double the cost of providing training only. But, it paid off. Evaluators found that the benefits generated in terms of additional monthly income for participants receiving intensive support equates to at least nine times the cost.16 In contrast, the benefit-cost ratio for those accessing low intensity support is neutral.

The benefits of providing more intensive non-financial support could go even further. An evaluation of a YBI intervention in Kenya found that “the loans are obviously highly desired but it is the complete package that attracts young entrepreneurs.” Research and evaluations have found that an integrated approach helps to reduce the risk of lending to youth, opening up opportunities for increased access to finance and growth.17

Cost-Benefit Analysis, assuming 25% business failure per year. Source: Montrose

<table>
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<th>Type of support</th>
<th>Cost (Ugandan Shillings)</th>
<th>Benefits (average additional monthly income, Ugandan Shillings)</th>
<th>Present value of benefits in 5 years (Ugandan Shillings)</th>
<th>Benefit–Cost Ratio, 5 Years</th>
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<tr>
<td>Training only</td>
<td>234,723</td>
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<td>Training plus one follow-up</td>
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<td>Training plus at least two follow-ups</td>
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<td>Training plus mentoring</td>
<td>459,723</td>
<td>121,200</td>
<td>4,231,000</td>
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Figure 2.1. Cost–benefit Analysis, assuming 25% business failure per year. Source: Montrose

16. By ‘success’, we are referring here to the average level of sales and estimated levels of profitability of a youth-led business.
Lesson 6: Mentoring: huge impact but it must be thorough

Programs offering mentoring support to young entrepreneurs must be comprehensively implemented in order to reap the huge benefits which mentoring has on business success.

Mentoring interventions require careful planning and long-term investment of time and resources.

YBI has been a longstanding advocate of the value of mentoring for young entrepreneurs. Young entrepreneurs with mentors have more profitable businesses (see Lesson 4). Young entrepreneurs without mentors find it more difficult to start and sustain a business.22 Quality mentoring is highly valued by young entrepreneurs themselves. Thirty-seven percent of young entrepreneurs globally consider their mentor more influential than money to the success of their business.23

Do you think your mentor or your money (financial support) made more of a positive difference to your business?

A combination of skills training plus mentoring can act as collateral, opening doors for youth to be able to access finance.24 It can help to reduce the risk of taking on a loan, lowering the chances of default and business failure. Mentors can also act as a go-between for the entrepreneur and a banking institution. This is highly valued by young entrepreneurs who lack confidence in dealing with banks and officials. Research by Futurpreneur, YBI’s member in Canada, found that their annual loan write-off rate decreased steadily from 11.4% to 5.7% since mentoring became mandatory for all young entrepreneurs.25

The question is not, “Is mentoring effective?” but “How can we make sure that mentoring is effective?” Implementing a mentoring service is challenging and resource intensive, despite the use of volunteers.

In many contexts and cultures, mentoring is new. In the Caribbean, the mentoring program struggled. Trust and buy-in was a major issue. Some young entrepreneurs went so far as to suggest that they feared their mentors would steal their business ideas.26 Mentoring was rated as the least useful service accessed in all three Caribbean countries surveyed. It can be difficult to find enough skilled, high quality business mentors. This was a significant limiting factor in northern Uganda. It meant that it was not possible to allocate a mentor for every young entrepreneur served. The same problem has been encountered by interventions in Spain, Italy and Kenya.

Monitoring, administering and managing a mentoring program can represent a significant burden to a small team. Mentoring is dependent on volunteers, but this doesn’t make it cheap. On the contrary, a mentoring intervention requires long-term investment if it is to be effective.

The timeframe for the decision about whether they will give me the loan or not is longer through use of the mentor approach, but I know I have more chance of success through working with my mentor.27

For mentoring to be effective, it needs a structured approach with dedicated and trained full-time staff. Expectations of mentors and mentees need to be clearly defined and regularly monitored.28

Independent final evaluation of YBI member-led USAID-funded program, Eastern Caribbean

Practical tips for implementation

• Raise awareness of mentoring as a concept. Especially important if mentoring is new to an area. The purpose and benefits of mentoring, both for the mentee and the mentor, need to be regularly reinforced.
• Get buy-in at all levels of your organization. Since mentoring can also be new to an organization, senior management buy-in from the outset is crucial.
• Place emphasis on a strong mentor recruitment process. Making sure you have quality mentors takes time, but this will lessen your workload later on.
• Train both mentors and mentees. Set clear guidelines, assure quality and make sure that expectations are clear. Providing ongoing training for mentors periodically is also helpful to keep them up to date.
• Match mentors with mentees carefully. Deliberate matching, helps to give the mentoring relationship the best chance of success and sustainability. If done correctly, this can save time in the long-run.
• Involve mentors in the program in different ways, beyond their role as mentors. This makes sure that the mentor understands the wider intervention. At the same time, it’s a good way to keep the mentor motivated and engaged.
• Employ a dedicated resource to manage the mentoring intervention. Crucial to assure quality.
• Show recognition and appreciation to mentors. Networking events and awards work well.

Consider the following options to overcome a shortage of quality local mentors:
1. Work closely with local business communities and provide mentoring training.
2. Facilitate peer mentoring, where young entrepreneurs share challenges and advice.
3. Switch to a “cluster mentoring” approach, where a group of mentees have their mentor.
4. Use technology to supplement face-to-face time in harder-to-reach communities.
5. Recruit successful mentees and intervention alumni as mentors.

Igor Zaboev faced many challenges when attempting to start his waste disposal company; he could not finalize a warehouse agreement and was denied a bank loan because of insufficient experience.

Youth Business Russia, a member of Youth Business International, linked Igor with his mentor Yun Segal, who helped him enter new sales markets, sign profitable contracts and team up with his current business partner, Petr. Their company, Karton Chemozene, collects and sorts solid household wastes that they then mould into bricks, and send to plants for processing and the ultimate production of recyclable materials.
Access to finance is consistently cited as the biggest barrier to entrepreneurship by young people. Enabling access to finance is also one of the most significant challenges faced by practitioners. Youth are seen as too risky to lend to. They often have no collateral and no track record meaning that funding and collaboration are difficult to secure. YBI has found that provision of mentorship support can reduce the "riskiness" of lending to youth and can increase confidence and successful repayment. However, some financial institutions are still reluctant to lend.

Being able to access capital to start or grow a business is undoubtedly a key ingredient for success. Where an in-house loan facility is not possible, YBI members across different contexts experiment with alternative financing options to meet the needs of young entrepreneurs.

YBI's member in India, Bharatiya Yuva Shakti Trust (BYST), sees a dual benefit from outsourcing its loan disbursement process to two major banks. It gains access to the banks' financial expertise and infrastructure and it can redirect its own internal resources to other priorities such as quality training and mentoring. The banks benefit by working with a new previously "out-of-reach" client base, who have the potential to become good customers over the long-term.

BYST also hires retired staff from partner banks as mentors and financial advisers. Mentors facilitate funding proposals. The bank staff draw confidence from the fact that a monthly mentor visits the young entrepreneur. Mentors also help to negotiate and find solutions to any repayment delays. Entrepreneurs value this as they often lack financial literacy and the confidence to deal with bank staff directly.

Crowdfunding platforms are becoming more common and can facilitate low-risk access to low-interest finance. YBI members in Kenya and the Caribbean have seen some success using the Kiva31 online microfinancing platform to help young entrepreneurs secure small loans. Through Kiva, global lenders can make a charitable loan, which they have a 2% chance of getting back from the borrower. YBI partner, Youth Business Saint Vincent and the Grenadines established an official collaboration with Kiva and facilitates access to young entrepreneurs. In this case, average loan size is US$3,000 with an average annual fee of 12%, and an average term of three years.

Repayment rates have been found to be high, due to the strong loyalty that exists between members. A recent evaluation found a positive correlation between savings groups and successful outcomes in business.32 Members speak of benefits such as ability to access "soft loans", the sharing of ideas, group support and increased access to business and customers, as well as the encouragement to save.

"We are united, so we all cooperate and share experiences on business that we can all use."

Young entrepreneurs who are members of savings groups in Uganda

Savings groups can offer a good low-risk alternative to commercial loans. YBI member, Enterprise Uganda, actively supports the formation of youth savings groups. Each group involves five or more entrepreneurs (who know each other) coming together to save collectively rather than individually. They save money strictly for investment purposes. The groups are especially suited to young people who cannot access commercial loans.33 Enterprise Uganda provides training on financial literacy and on how to run the group. They also provide follow-up support. Generally, each entrepreneur will contribute between US$50-100 per person per month.

"I had the confidence to consider starting my own business. But I did not have the capital to do so. Without collateral or security, banks refused to even look at my proposal."

Tushar Munuat then came across Bharatiya Yuva Shakti Trust, YBI member in India, who provided him with financing, training, mentoring and coaching. With BYST’s support, Tushar was able to articulate two separate yet complementary businesses: one servicing civil constructs (mainly in road construction and water pipeline installation) and the other manufacturing asphalt. Tushar’s businesses now employ 900 people.

"I can save to buy larger things for my business."

"I have some security if things go wrong."

Young entrepreneurs who are members of savings groups in Uganda.
Lesson 8: Local support networks can “make or break” interventions

Youth entrepreneurship support programs must carefully engage communities and families at the start.

Local support networks can “make or break” youth entrepreneurship interventions.

Family and friends can either threaten the viability of youth entrepreneurship...

The household provides the immediate safety net for youth in terms of moral, social and financial support. If family or spouses don’t buy into entrepreneurship, youth can be felled from participating in interventions. Similarly, if friends and peer groups don’t see entrepreneurship as a viable option, young people can be dissuaded and can lose motivation.

Or, they can play an active role in encouraging it...

The decision to start a business can be strongly influenced by family and friends. Figure 4.1 shows that parents, siblings and other family members account for more than half the influence in the decision to start a business. Young entrepreneurs with new businesses also rely on family and friends as customers. Crucially, depending on context, between 18 to 43% of youth rely on family and friends for funding to start a business.

A 2013 global survey showed that a quarter of the businesses indicated that between 7% and 100% of their customers were family and friends.

We’ve learned from mistakes. Youth don’t exist in a vacuum. Young people are strongly connected to family, spouses, friends and other community members, such as local leaders and role models. Research is unanimous: engaging family and community members from the outset is essential for the success of youth entrepreneurship interventions.

Involving the wider community in youth entrepreneurship interventions is crucial for mobilization.

Early involvement of community actors such as local political leaders, schools, youth groups, business leaders and economic developers can help to mobilize youth. A mid-term review of a YBI intervention in Uganda found that the majority of participants had found out about the training through their locally elected leaders. Early involvement of community members also helps to prevent interventions from being sabotaged by local people who may feel threatened or who may misinterpret the intervention’s intentions. In the absence of proper engagement, this becomes a real risk.

Youth are part of a wider ecosystem. At best, failure to engage with other actors overlooks an important resource to facilitate access and promote a budding entrepreneurial culture. At worst, it can threaten the very viability of an intervention.

Staff confirmed that local politicians served as gatekeepers to reach the young public and added that failure to involve politicians may in fact result in them sabotaging the project.

Independent mid-term evaluation of YBI and Enterprise Uganda’s DFID Uganda-funded program.
Youth entrepreneurship interventions should adapt their support services so female beneficiaries get the support they need.

Strategies such as female participation targets, dedicated community “gender training” and promotion of role models have shown success.

Youth entrepreneurship practitioners have differing perceptions about the influence of gender on the challenges faced by young entrepreneurs. In a recent YBI survey covering 43 practitioners in 27 different countries, many didn’t think that female entrepreneurs were at a disadvantage in comparison with male counterparts.17

A YBI market assessment found that the majority of low-performing businesses, such as crafts and tailoring, are run by women. Businesses with the greatest potential for growth, such as transport and ICT-related enterprises, are male-dominated.18

These findings call into question whether there is enough awareness and consideration of the gender barriers to youth entrepreneurship. More can be done to make sure that young female entrepreneurs are given the same chances of success as young men.

A survey of more than 10,000 youth across northern Uganda found that compared to young women, young men:

- Were earning on average 29% more monthly income
- Were more likely to have a mobile phone
- Owned almost double the assets
- Had almost double the amount in savings.

Independent final evaluation of YBI and Enterprise Uganda’s DFID Uganda-funded program

After being left destitute, Anowara Shuley took a tailoring course. At 24 she launched her clothing business in Dhaka, Bangladesh, which employs married women – helping them to earn an income while working from home.

A $1,875 loan and mentoring support from YBI member B’Yeah helped Anowara’s business grow and thrive. Within 2 years she’d employed 6 full-time staff and 160 part-time staff. Anowara also opened a literacy centre in her home where she teaches the elderly and impoverished.

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Young men are 1.3 times more likely to be engaged in early stage entrepreneurial activity and 1.6 times more likely to be established entrepreneurs.19

2015 Global Youth Entrepreneurship Survey, Global Youth Entrepreneurship Monitor
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This contrasts with a lot of the literature20 and with a lot of YBI’s findings. While not the case in every single context, literature repeatedly shows that women have lower levels of education, bear the main responsibility for child care and the household, frequently lose out because of land and ownership customs favoring men, and can be limited by restrictive cultural or religious norms. Globally, “the rates for young women in all stages of entrepreneurial activity are lower than the male rates.”21

A YBI market assessment found that the majority of low-performing businesses, such as crafts and tailoring, are run by women. Businesses with the greatest potential for growth, such as transport and ICT-related enterprises, are male-dominated.18 In Kenya, businesses owned by young women were generally smaller and employing less additional people than young male-owned businesses.22

These findings call into question whether there is enough awareness and consideration of the gender barriers to youth entrepreneurship. More can be done to make sure that young female entrepreneurs are given the same chances of success as young men.

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Youth entrepreneurship practitioners have differing perceptions about the influence of gender on the challenges faced by young entrepreneurs. In a recent YBI survey covering 43 practitioners in 27 different countries, many didn’t think that female entrepreneurs were at a disadvantage in comparison with male counterparts.17
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However, the gender of respondents was not recorded in this study. It is therefore not possible to calculate whether the gender of the respondent influenced this finding.

18. Please note, the gender of respondents was not recorded in this study. It is therefore not possible to calculate whether the gender of the respondent influenced this finding.
Lesson 10: Invest in the right tech to support MEL

It pays to invest in the right technology to support program monitoring, evaluation and learning (MEL) activities. Effective technology requires investment. Combining MEL with the right technology saves time, improves performance, enhances risk management, and aids decision-making.

In an effort to improve the evidence base, YBI developed an Operations Management System (OMS) based on the Salesforce platform. This provides a database to store data collected through monitoring activities. The data is integrated with organizational management data - everything is in one place. The system performs automatic analysis. It provides progress updates on achievement of targets and milestones so that reports to donors can be created “at the click of a button.” Organizations can track the progress of each young entrepreneur individually, as well as viewing aggregated project or organization-wide data.

Delivering good programs is not enough. YBI’s members are increasingly focussed on demonstrating impact to be able to open doors and access further funding that will allow them to fulfill their mission.

“[We] are the only ones that have that kind of information in the country. Even the national bodies don’t have that kind of information. Our institution now has over 8,000 records of people that we can be able to refer using that system. It has made our lives really easy.”

YBI member, East Africa

Tips for Practical Implementation

YBI has learned that for this system to be effective, the following considerations need to be addressed:

1. Funding for the system must be sustainable. YBI worked hard to build long-term collaborations to make sure that this is possible.
2. Buy-in is essential at all levels of the organization, from leadership to field-level staff.
3. “Garbage in, garbage out”: Technology alone does not improve data quality. A separate process of MEL capacity building is essential to make sure the best use of the system.
4. Staff need to be properly trained in how to use the system. Without training, the system can take longer to use than traditional excel or paper-based processes and will become obsolete.
5. Automatic analysis saves time, but real learning will not take place unless more detailed analysis of data takes place within the organization.

Visualisation of the Operations Management System (OMS)
Recommendations for future research

YBI’s global network of diverse organizations is contributing to a valuable, growing evidence base of how programs can better support young entrepreneurs.

Several trends are emerging from our research, which we hope can contribute towards practitioners’ program planning, design, mobilizing, roll-out and tracking.

Research for this report has also identified some important knowledge gaps which present future research opportunities. These include:

- Youth-led business survival
  Globally, on average, 90% of business start-ups fail within the first year.43 Sustainability of businesses is a significant challenge for the youth entrepreneurship sector. However, very few longitudinal studies to track longer-term survival rates exist. Substantial resources are required to track this type of information on a large scale. While YBI supports network members to collect data on survival rates on a regular basis, more attention to this issue through large-scale longitudinal studies would strongly complement this data.

- The impact of gender on youth entrepreneurship success
  YBI has identified key success factors and useful strategies for supporting young female entrepreneurs. This provides a solid starting point for building a strong evidence base around gender and youth entrepreneurship. Additional learning on how to address gender inequality in relation to youth entrepreneurship success would be valuable. Further research is recommended into “what works” to address limiting cultural gender norms, sexual harassment and violence, women’s access to networks, security, and limited land and asset ownership rights.

- External factors influencing entrepreneurship success
  YBI’s research has shown that in some cases, external factors can result in business failure. For example, in Nairobi, external factors such as crime and insecurity seemed to play an important role in limiting youth business success.44 The ability of young people to succeed is influenced by a number of cross-cutting factors such as health, gender norms, crime, and security. Further investigation into the different types of collaboration, for example with organizations focusing on sexual and reproductive health or micro-insurance providers to better address these external factors would contribute valuable learning for the sector.


Youth Business International is a global network of not-for-profit organizations which help under-served young people (18–35 years) to start and grow sustainable businesses.

Our network of over 40 independent organizations across the world provide entrepreneurs with expert local support, specifically tailored to their needs. This can include financial support, mentoring and technical training.