

Research Application Summary

Agrienterprise incubation at Egerton University for improved graduate entrepreneurial skills and employment- opportunities and challenges

Mshenga, P. M.

Department of Agricultural Economics and Agribusiness Management, Egerton University, P.O. Box 536, Egerton, Kenya

Corresponding Author: pmshega@egerton.ac.ke / pmshega@gmail.com

Abstract

Most African countries are struggling with the problem of a growing youth population. Many of the youth are unemployed. This problem is exacerbated by university training programmes that churn out graduates who seek formal employment instead of creating employment. To address this, Egerton University through the AGLEAD project started a student incubation hub with the objectives of stimulating establishment of agrienterprises by students, improve agripreneurship skills among students enhance collaboration between the university and the private sector. So far, the hub has recruited 33 students who have established 14 agrienterprises. The students' businesses range from milk value addition, agribusiness consultancy, online training short course on entrepreneurship, online marketing platform, and hotel. The student businesses are working with more than 30 farmers and have 24 employees apart from the students themselves. The hub has trained 200 students in business plan development, financial management, entrepreneurship and marketing as well as conducted Agribusiness clinic with seven farmer groups of 80 farmers. Through the hub, the following opportunities have emerged: the university has embraced entrepreneurship and developed a policy that all business premises within the university will be owned and managed by students. Moreover, students can own and manage enterprises as well as manage their studies. Students who own and manage or work in enterprises manage their time better. Currently, more students are interested in entrepreneurship and becoming self employed and others have embraced the idea of being employed by other students to earn money for their upkeep. Through the clinics, students have gained hands on experience in working together with farmers enhancing the relationship between the university and the communities. However, the hub has faced challenges such as conflict among the student groups operating a business as well as more staff time required to monitor the enterprises and manage the hub.

Key Words: Agribusiness clinic, Egerton University, employment, entrepreneurship, incubation

Résumé

La plupart des pays africains sont confrontés au problème de l'augmentation de la population jeune. Beaucoup de ces jeunes sont au chômage. Ce problème est exacerbé par les programmes de formation universitaire qui produisent des diplômés qui cherchent un emploi formel au lieu de créer des emplois. Pour y remédier, l'université d'Egerton, par le biais du projet AGLEAD, a lancé un centre d'incubation pour étudiants dont les objectifs sont de stimuler la création d'agro-entreprises par les étudiants, d'améliorer les compétences en matière d'agripreneuriat parmi les étudiants et de renforcer la collaboration entre l'université et le secteur privé. Jusqu'à présent, le centre a recruté 33 étudiants qui ont créé 14 agro-entreprises. Les entreprises des étudiants vont de l'ajout de valeur au lait à l'hôtellerie en passant par le conseil en agripreneuriat, la formation en ligne

sur l'entrepreneuriat et la mise en place de plateforme de marketing en ligne. Les entreprises des étudiants travaillent avec plus de 30 agriculteurs et comptent 24 employés en plus des étudiants eux-mêmes. Le centre a formé 200 étudiants à l'élaboration d'un business-plan, à la gestion financière, à l'entrepreneuriat et au marketing. Il a également organisé une clinique agroalimentaire avec sept groupes de 80 agriculteurs. Grâce au centre, les opportunités suivantes ont vu le jour : l'université a adopté l'esprit d'entreprise et a élaboré une politique selon laquelle tous les entreprises au sein de l'université seront détenus et gérés par les étudiants. En outre, les étudiants peuvent posséder et gérer des entreprises tout en gérant leurs études. Les étudiants qui possèdent et gèrent ou travaillent dans des entreprises gèrent mieux leur temps. Actuellement, de plus en plus d'étudiants s'intéressent à l'entrepreneuriat et s'auto-emploient, tandis que d'autres ont adopté l'idée d'être employés par d'autres étudiants afin de gagner de l'argent pour subvenir à leurs besoins quotidiens. Grâce aux cliniques, les étudiants ont acquis une expérience pratique dans la collaboration avec les agriculteurs, ce qui a renforcé la relation entre l'université et les communautés. Cependant, le centre a été confronté à des défis tels que les conflits entre les groupes d'étudiants exploitant une entreprise, ainsi que le temps supplémentaire nécessaire au personnel pour surveiller les entreprises et gérer le centre.

Mots clés : Clinique agroalimentaire, Université d'Egerton, emploi, entrepreneuriat, incubation.

Introduction

Globally, youth population is increasing. This is especially so in African countries where the youth form 65% of the population. This increase is not commensurate with the available employment opportunities leading to youth unemployment (FAO, 2014).

In Kenya, the unemployment rate is at 9.3% with a majority of the unemployed being the youth. This is a problem of labour demand with the country's economy not creating sufficient jobs to cater for the increasing number of young people entering the job market. Since the country depends on agriculture for economic growth, agribusiness, innovation and entrepreneurship are seen as avenues to reduce youth unemployment.

Like in many other countries, the challenges that Kenya is currently facing can only be addressed if she has innovative, well-educated, and entrepreneurial citizens who, whatever their walks of life, have the spirit and inquisitiveness to think in new ways, and the courage to meet and adapt to the challenges facing them. At the same time, given the current socio-economic and political stance of the country, a thriving economy would require a greater number of young people who are willing and able to become entrepreneurs; who can launch and successfully develop their own commercial or social ventures, and who will become innovators in the wider organisations in which they work (UNDP, 2013). The Government of Kenya has already made efforts to address youth unemployment and foster the creation of decent jobs through such initiatives as the Youth Development Fund, but the problem is far from being fully addressed (UNDP, 2013). In as much as the Government has been encouraging entrepreneurship, youth in entrepreneurship face obstacles to successful business management including lack of requisite skills for entrepreneurship, lack of access to credit and other productive resources as well as preference to formal employment as a career path of choice.

To this end, Egerton University through the 'Empowering Kenyan Youth through Agrienterprise Incubation for Improved Livelihoods and Economic Development (AGLEAD) project established a student agrienterprise incubation centre with the objective of developing a youth agribusiness incubator to enhance development of small scale and medium enterprises (SMEs) that are critical in employment creation. Specifically, the project has the following objectives:

1. Stimulate establishment and growth of agrienterprises by agricultural science university

students

2. Improve agripreneurship skills among agricultural science students
3. Enhance collaboration between the university and the private sector

Materials and Methods

Egerton University has a hands-on approach to agrienterprise graduate training as well as a student incubation hub through which the students leave the university with practical experience in starting and managing real agribusinesses. This kind of training breaks away from the norm of theoretical training hence producing students who can cope well in the job market as employers or employees and foster economic development. The University has established an Agrienterprise Fund Scheme which gives students grants to start and run agrienterprises. The students are expected to repay with a low interest. The curriculum also involves industry players. Having a curriculum that involves industry players in delivery besides exposing students to real experiences is a novel idea that can bridge the gap that currently exists between universities and the industry in most Sub-Saharan countries. The incubation hub provides short-term training to agricultural graduate students in soft skills, financial management and organisational management to impart managerial skills that are currently lacking in the graduates of most agricultural programs. Moreover, the students involved in the program and the incubation hub work together with staff to offer agribusiness development services to farmers. This exposes them to real problems and enables them to come up with innovative solutions that are realistic to the prevailing conditions, an aspect that has lacked in previous agricultural science curricula and links the university with the community.

Capacity strengthening: Capacity building for students involved in the incubation hub is conducted by the use of workshops and seminars on business plan development, management of agrienterprises, marketing, financial management and other topics as deemed fit. Basic training on entrepreneurial skills, technical support in production and the linkage with micro-finance institutions for small investments are also principal elements of the training programme of the hub. Staff are also trained on incubation management.

Setting up the incubation: In setting up the student incubation hub the university provided facilities required in terms of shop space. The students are allowed to make use of the university laboratories as deemed fit. The students are attached to technical staff from within the university and successful agrienterprises for mentoring and coaching so as to improve innovation.

Establishing students' agrienterprises: Students are encouraged to form groups of a maximum of five who develop business proposals. In forming these groups, at least a third of the members should be female. These proposals are assessed for viability. The assessment panel comprises of members of academic staff, representative from the bank (KCB Bank) and representative from Farming Communities. The best proposals are selected and priority is given to the MSc. Agrienterprise students who are required to establish and run an agrienterprise successfully before the completion of their program. After selection, the students are trained on business plan development, starting and managing an agrienterprise. The training is offered by representatives from KCB Bank, Farming Agencies as well as academic staff.

The students are then facilitated through being given a loan to establish the agrienterprises. They are required to repay the principal amount at an interest of 5%. The groups are linked to a mentor who has a similar enterprise for mentorship and coaching purposes. There is constant monitoring on the progress and the students are required to give a presentation of their progress every month. The students are also encouraged to seek advice from members of academic staff on any technical issues on production, value addition, marketing as well as linked up with university departments for use of equipment or machinery as needed. Moreover, each group is encouraged to open up an

account with KCB Bank (Egerton University Branch). For innovative student companies, the hub with support from the university facilitates the patenting of innovative products and services.

Management of Incubator: The students incubation hub is managed by a coordinator and administrator. The hub administrator oversees the day to day running of the hub. Other technical staff from the various departments are consulted as need arises.

Mentoring and coaching: The students group are attached to successful agrienterprises as mentors. The linkage role is undertaken by farming agencies/ groups. The successful enterprise will take the students through successful production, marketing as well as sourcing of finds and other materials. Moreover, technical staff within the university will be attached to the students groups.

Strengthening the Agrienterprise Fund Scheme: The hub has developed guidelines on student grant and how the grants should be paid. The University is also working to broaden the scheme to other faculties and under student body.

Discussion

Agrienterprise Fund scheme: The agrienterprise Fund scheme was established with an initial amount of USD 8000. So far, this has grown to USD 30,000, enabling more students to access finding

Student enterprises: Initially, the Agrienterprise Funds scheme was to fund the MSc. Agrienterprise Students businesses. For these students, it was a requirement in their curriculum to establish and manage an agrienterprise. The first cohort of the students (10 students) in this curriculum had four groups of students who established four enterprises. The second cohort had nine students who established three enterprises. All these businesses have been weaned out of the university and are running independently.

Currently, the Agrienterprise Fund scheme has gone beyond funding the masters students only. The Scheme is also funding PhD students and undergraduate students. The incubation centre is currently hosting I I groups of students: CMS Agropriuses, AgriFresh Supplies, Velami, Tamu Nuts, Comrades Dairies, BAPE, Sweet Natural Honey, Kuza Kilimo, Egarcorn and Desktop Lunches.

Capacity building: This is done at two levels, capacity building of students and farmers. In relation to students, four workshops have been conducted with a total of 120 students trained on business plan development, management of agrienterprises, marketing and human resource management. Agribusiness clinics were conducted to build the capacity of seven farmer groups with 90 farmers being trained on marketing of their produce, linking them to markets, soil testing, developing crop calendars, record keeping and development of business plans.

Institutionalisation of entrepreneurship in the university. Following the establishment of the Agrienterprise funds scheme and establishment of students enterprises as well as their proper coordination and management, the university management established a policy that all enterprises within the university should be established and managed by students. This breaks from the norm where enterprises within the university were owned and managed by people from outside the university. This policy has motivated more students to establish enterprises within the university.

Lessons Learnt

Lessons learnt from implementation of the AGLEAD Project can be divided into three: opportunities, students' perspectives, and staff perspectives. To start an enterprise, students have to adhere to the

following: identify a niche, gain skills in the chosen business, develop a viable business plan, get a mentor, raise funds, start small, be ready for hard work and get their hands dirty, and be patient.

There are many opportunities available for students' enterprises. These include: ready market for food products within the campus, there is trust in products produced by students, use of university facilities reduces the cost of running the business as well as production cost. The students can get expert advice from members of staff.

However, there are challenges in running students enterprises as well as managing a student enterprise incubator. From the students' perspectives, the challenges include: inadequate financial resources to establish the enterprise, time management in terms of balancing between studies and managing the enterprise, conflict between the students in case the enterprise is managed by a group of students, challenges in accessing high value markets due to lengthy registration procedures and many licensing requirements.

Challenges faced by staff in managing students' enterprise incubators include institutional inertia. This is in terms of skepticism from staff who think that students cannot run enterprises as well as excel in their studies. Moreover, staff require more time to monitor and supervise students' enterprises yet they have their full teaching load.

Conclusion

Students' enterprise incubation is a way of enabling students to get hands on experience in starting and managing their enterprises. This builds their entrepreneurship skills and increases their chances of employment. The enterprises help students build networks and provide money to students. It is possible to establish and manage a successful student incubator. However, this requires institutional support, hard work, and sacrifice.

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