

Acceleration in Sub-Saharan Africa

Initial data from the Entrepreneurship Database Program

February 2018



Background



Since 2011, hundreds of accelerator programs have emerged around the world, with funding from governments, corporations, and private foundations.



Funders are investing in these accelerators for their potential to grow successful ventures, create jobs, and build investor pipeline.



Despite this interest we know little about accelerator effectiveness or how differences across programs influence venture performance.

To address this gap, Social Enterprise @ Goizueta at Emory University and the Aspen Network of Development Entrepreneurs (ANDE) launched the Global Accelerator Learning Initiative (GALI) in collaboration with a consortium of public and private funders. GALI builds on the Entrepreneurship Database Program at Emory University, which works with accelerator programs around the world to collect and analyze data from the entrepreneurs that they attract and support.

Background



The Entrepreneurship Database Program collects information from entrepreneurs when they apply to participating accelerator programs. These entrepreneurs, including those not selected into a program, are then surveyed annually to gather valuable follow-up data.



This report summarizes application data collected from ventures operating in sub-Saharan Africa that applied to participating accelerator programs between 2013 and 2016.



The observations in this data summary are based on 2,568 early stage ventures, from a full sample of 8,666 ventures operating across the globe.

Note: Sample excludes duplicate application surveys, surveys with too much missing information, and surveys from entrepreneurs who declined to share their application information with the Entrepreneurship Database Program. The majority of questions focus on prior-year data, in other words, on business results from the year before applying to acceleration programs.

About the data

This summary includes information from 2,568 ventures operating in sub-Saharan Africa, that applied to one of 55 accelerator programs between 2013 and 2016.

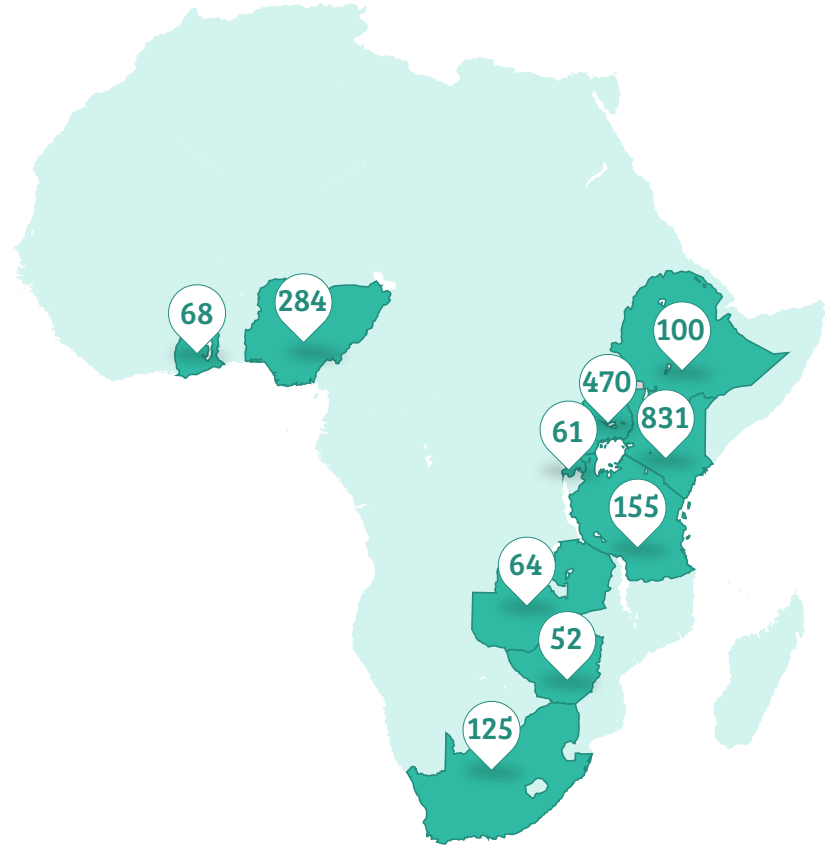


Venture locations

These ventures operate in 41 countries.

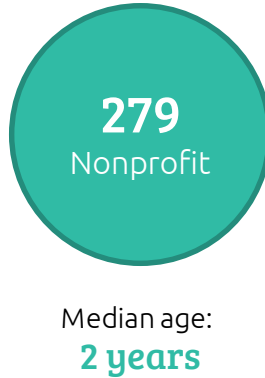
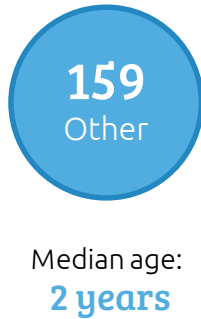
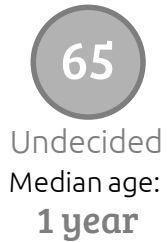
Top 10 countries:

1	Kenya	831
2	Uganda	470
3	Nigeria	284
4	United Republic of Tanzania	155
5	South Africa	125
6	Ethiopia	100
7	Ghana	68
8	Zambia	64
9	Rwanda	61
10	Zimbabwe	52



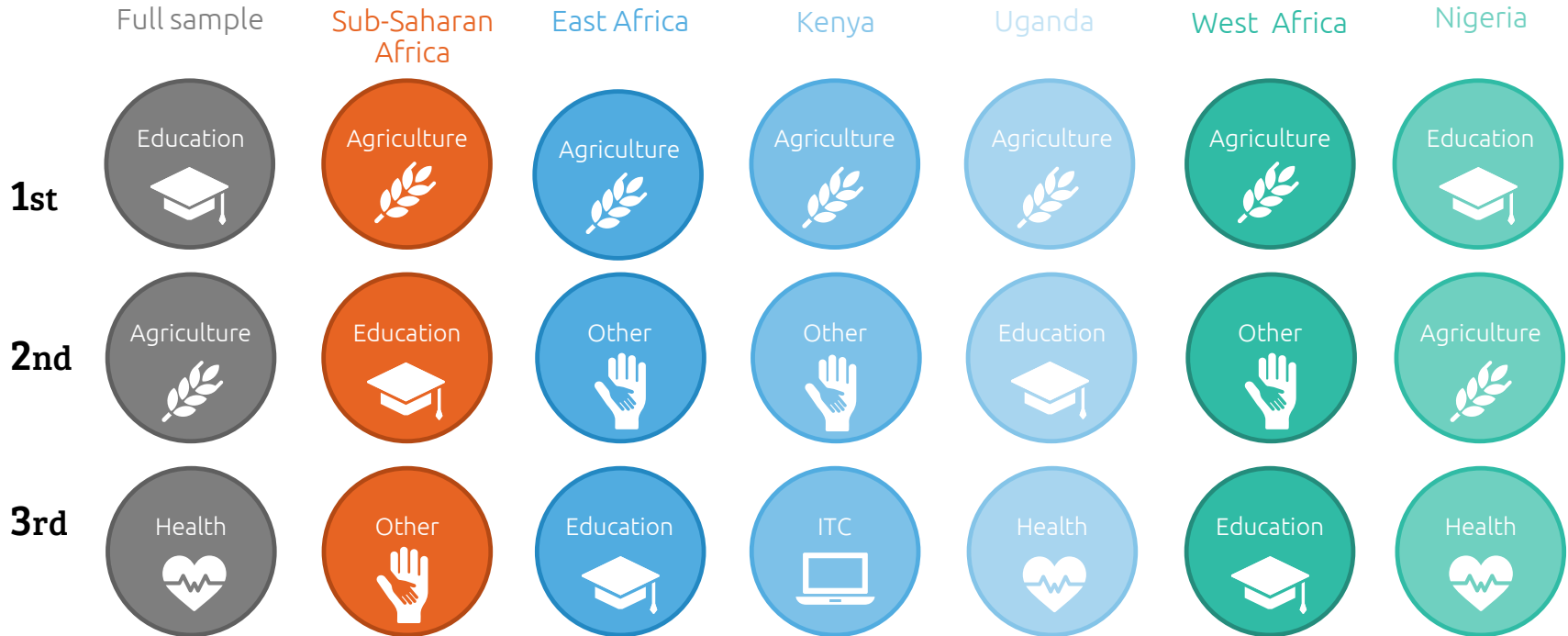
Legal status and age

Most ventures are for-profit companies, between 1 and 2 years old.



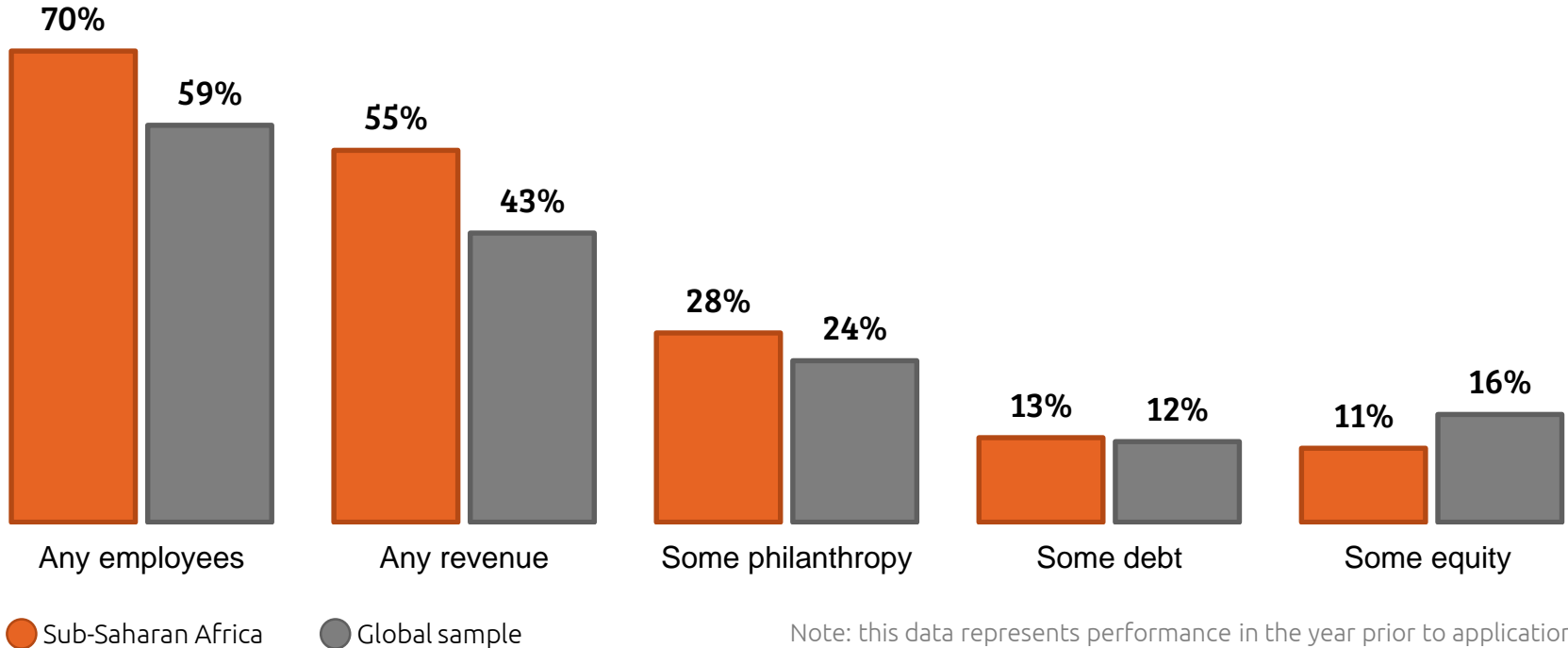
Top sectors

More than 25% of ventures are in the agriculture sector.



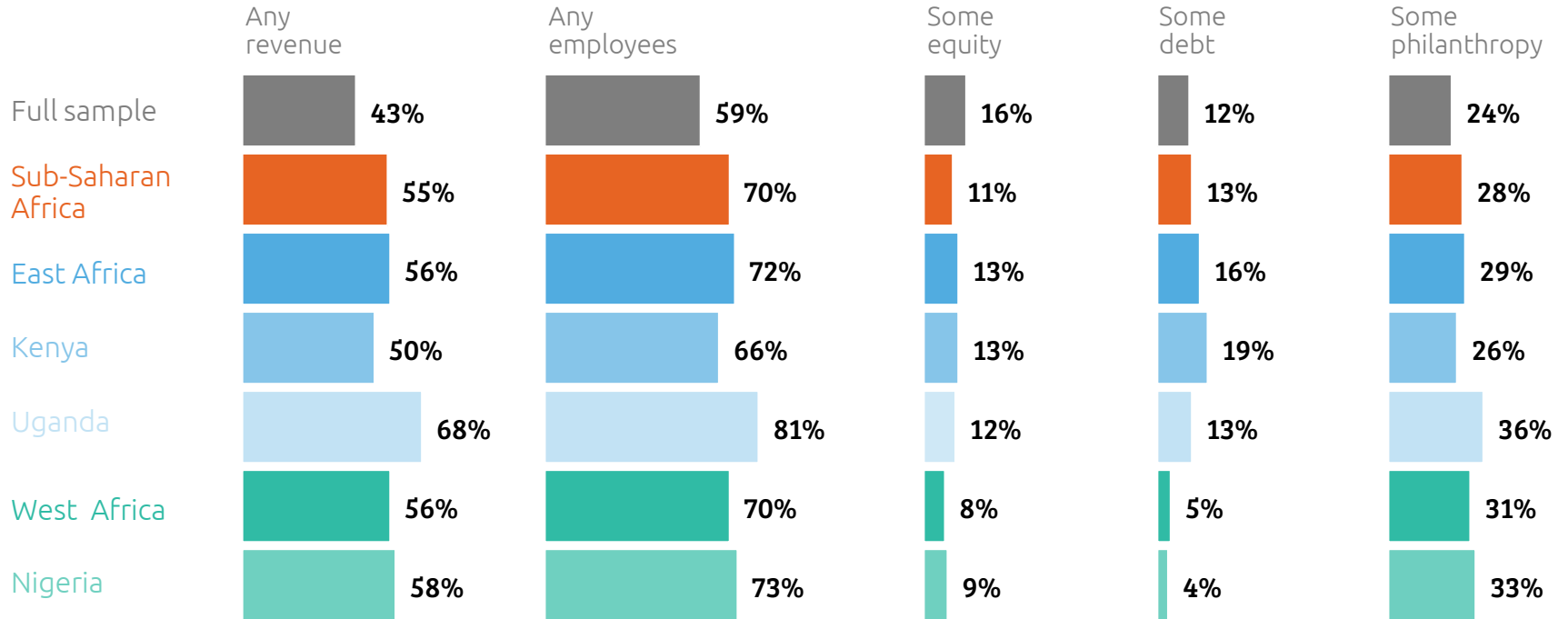
Venture performance

Most ventures had earned revenue and hired employees, but fewer had raised funding.



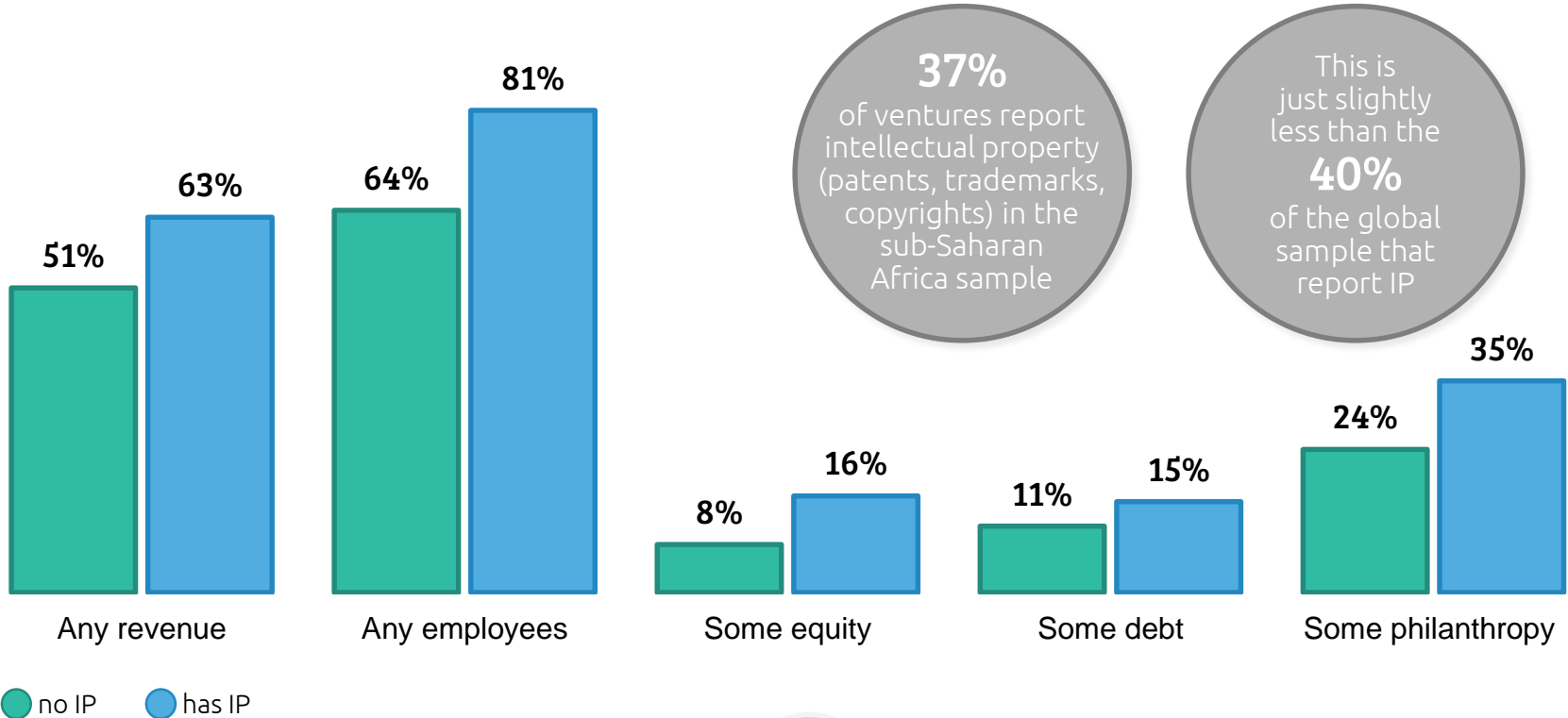
Venture performance by region and country

Fewer West African ventures had raised investment capital, compared to East African ventures.



Intellectual property

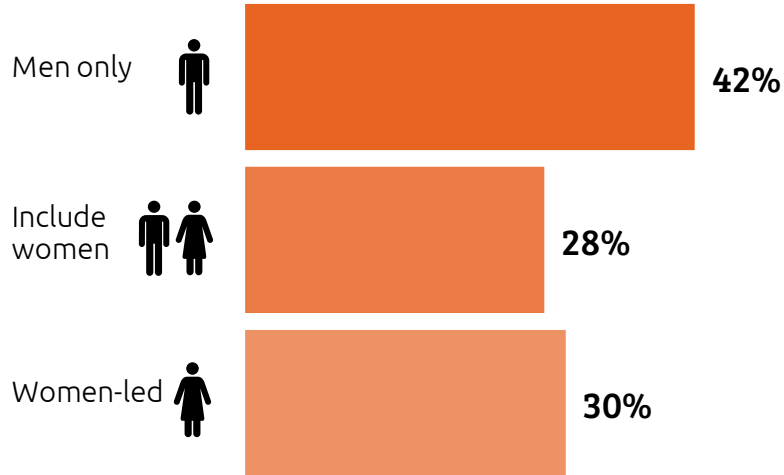
Ventures with IP were significantly more likely to report revenue, employees, and investment.



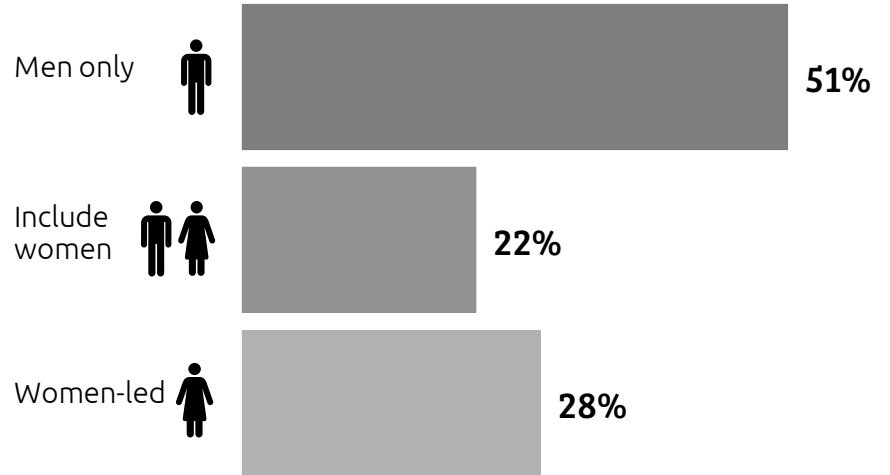
Founders by gender

Over half included women on the founding team.

Sub-Saharan Africa



Global sample

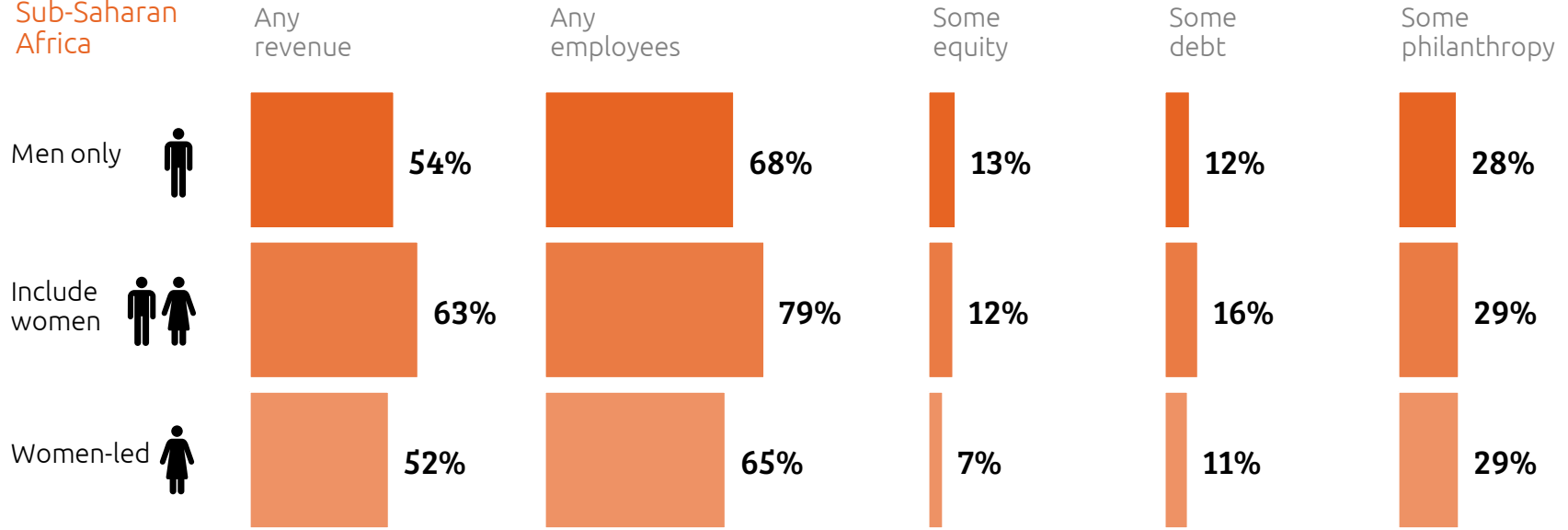


Note: Applicants entered information for up to three founders. Women-led teams listed a woman in the first spot on the survey. Teams that include women listed at least one woman in the second or third spot.

Performance by gender

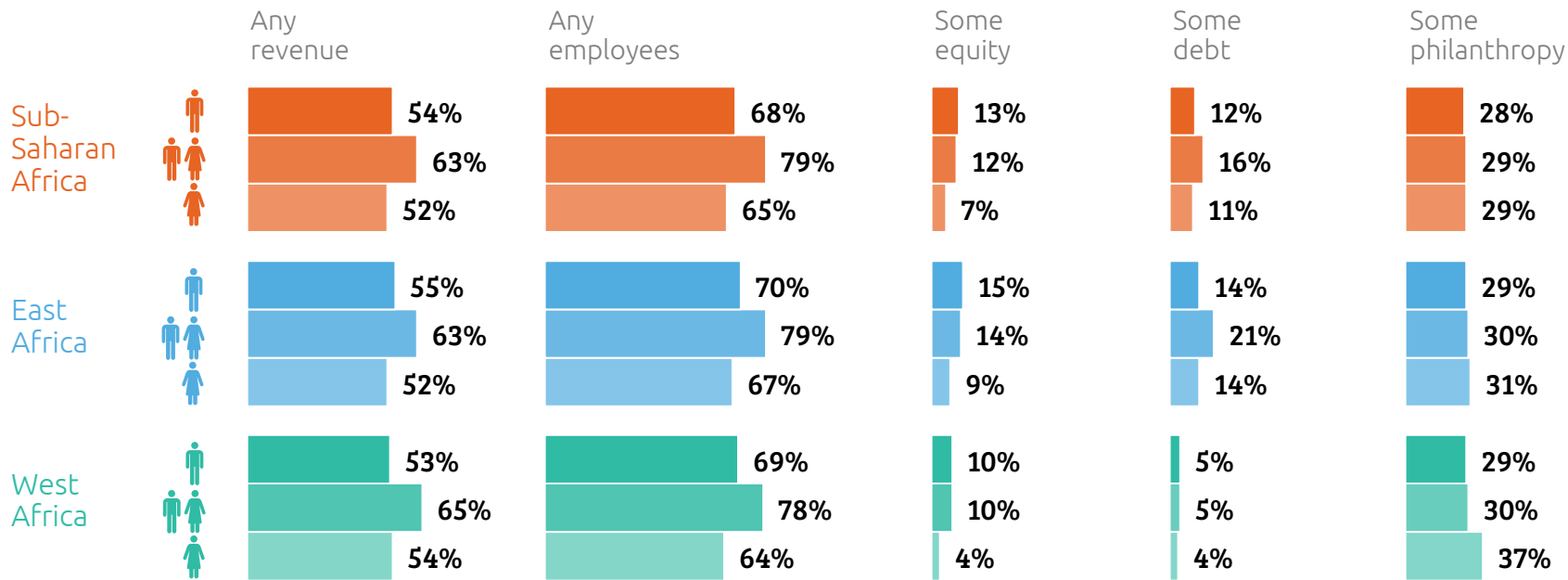
Teams that include women were more likely to report revenue and employees.
Teams that are led by women were less likely to report equity.

Sub-Saharan
Africa



Performance by gender and region

In each region the most significant difference is in fundraising. Women-led teams were around half as likely to report equity.

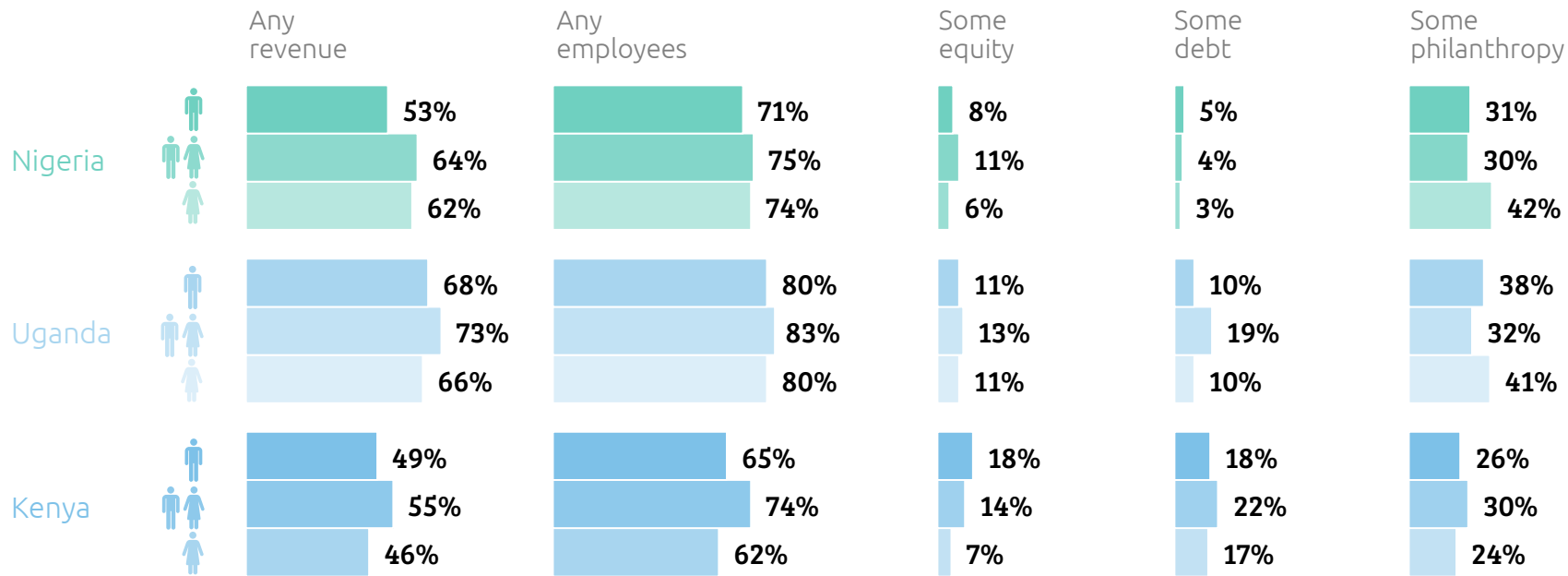


Men only
 Include women
 Women-led

Performance by gender and country

There are some differences in certain countries.

For example, in Nigeria there is no significant difference based on gender; in Uganda debt raised is the only significant difference.

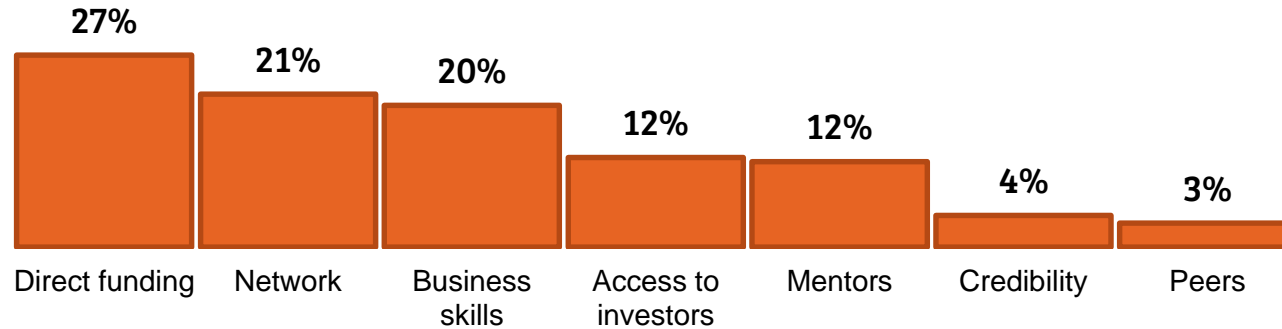


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Benefits of acceleration

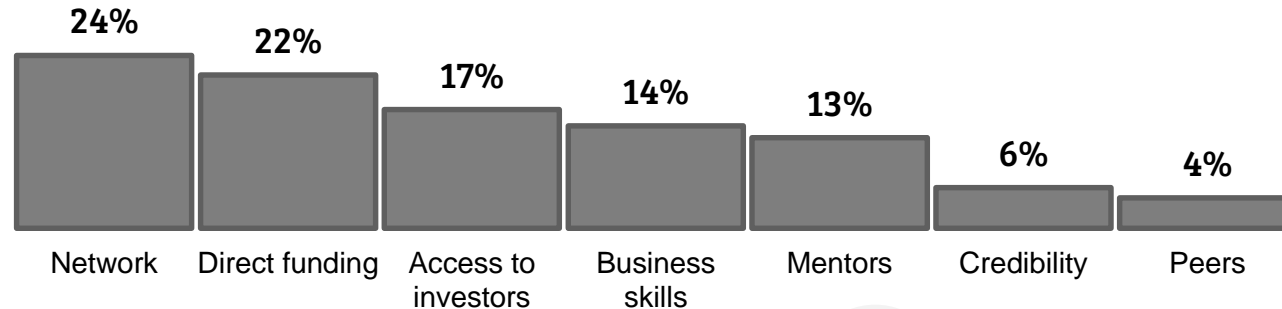
Direct funding was most often selected as the most important benefit.

Sub-Saharan Africa



Over 25% of ventures rank **direct funding** as the most important, followed by **network** and **skill-building**.

Global sample

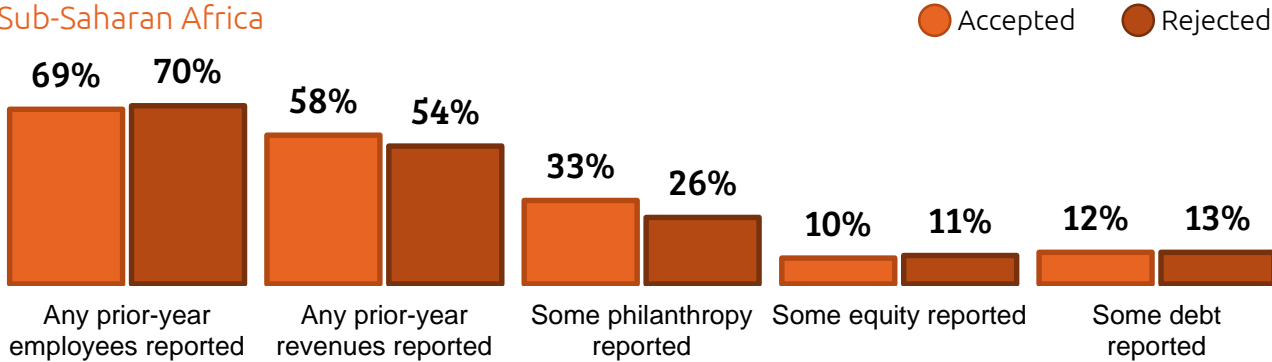


Compared to the global sample, African entrepreneurs are more interested in gaining **direct funding** and **business skills**.

Accelerator selection

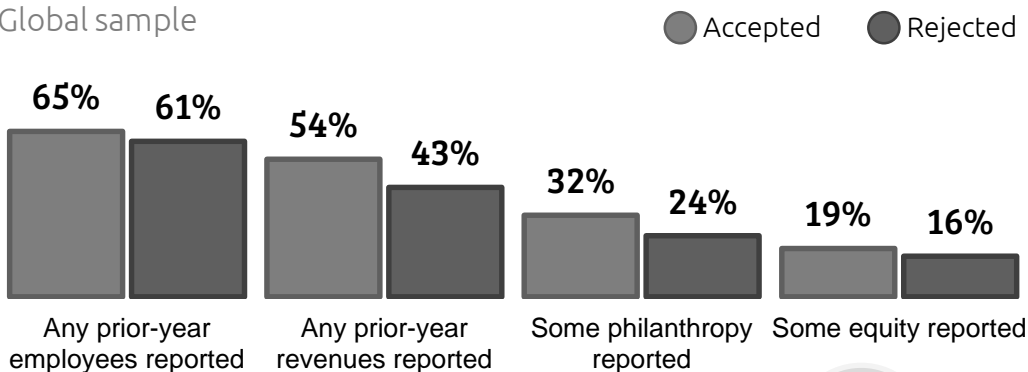
20% of applicants were selected and participated in a program.

Sub-Saharan Africa



Accepted and rejected ventures reported fairly similar track-records (except that accepted ventures were significantly more likely to report philanthropy).

Global sample



In the full sample, accepted ventures were significantly more likely to report employees, revenue, equity, and philanthropy.

To learn more about GALI, please visit www.galidata.org



Global Accelerator Learning Initiative

The Global Accelerator Learning Initiative has been made possible by its co-creators and founding sponsors, including the U.S. Global Development Lab at the U.S. Agency for International Development, Omidyar Network, The Lemelson Foundation and the Argidius Foundation. Additional support for GALI has been provided by the Kauffman Foundation, Stichting DOEN, and Citibanamex.