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Creating the Future Today

Towards building an Entrepreneurship Ecosystem- Global Entrepreneurship Week and Freetown Pitch Night- The Role and Significance of the Freetown Pitch Night

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From November 13th to the November 17th the world, including Sierra Leone, will celebrate the Global Entrepreneurship Week. Global Entrepreneurship Week is the world's largest celebration of the innovators and job creators who launch start-ups that bring ideas to life, drive economic growth and expand human welfare.

During one week of every November, GEW inspires people everywhere through local, national and global activities designed to help them take the next step in their entrepreneurial journey. These activities, from large-scale competitions and events to intimate networking gatherings, connect participants to potential collaborators, mentors and even investors - introducing them to new possibilities and exciting opportunities.

In Sierra Leone, GEN SL and Innovation SL as National Hosts have organised several activities to inform and inspire. The highlight of the week is the GEW 2017 Freetown Pitch Competition. The finals will see a winner - *GEW Sierra Leone Entrepreneur* attend the Global Entrepreneurship Congress.

As much as this prize is important, it is the role of the Freetown Pitch and its significance in building an entrepreneurship ecosystem in Sierra Leone that is the subject of this paper.

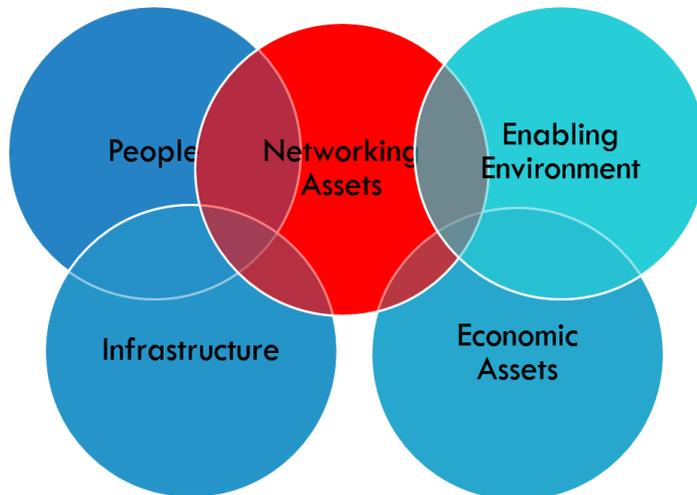
What is an Entrepreneurship Ecosystem

An entrepreneurship ecosystem "refers to the elements – individuals, events, organizations or institutions – outside the individual entrepreneur that are

conducive to, or inhibitive of, the choice of a person to become an entrepreneur, or the probabilities of his or her success following launch. (wiki)

At worst, it is fair to say that we lack an ecosystem that supports entrepreneurs, and at best, what we have for an ecosystem is fragmented and does not provide the functions it is intended to.

The diagram depicts an Ecosystem. The Freetown Pitch Night is part of the Networking Asset (Gathering places).



The significance of the Freetown Pitch Night becomes clear when we consider

- (A) It is a critical element in an ecosystem that supports a new breed of entrepreneurs in Sierra Leone,
- (B) Potential for GDP growth and job creation, and
- (C) Attract Investors.

First let me give an overview of the Pitch Night and its background, before dealing with each of the points above.

What is Pitch Night?

Pitch Night is a night, which provides budding entrepreneurs in Sierra Leone the opportunity to pitch their post revenue business. At pitch night entrepreneurs provide a holistic view of their business to a vibrant Sierra Leonean entrepreneur community allowing them to market their business, solicit feedback, advice and potential partnerships.

Pitch Night Purpose

- Increase desirability and confidence in pursuing entrepreneurship.
- Provide pitch practice to entrepreneur.
- Role-model pitching and entrepreneurship to others.
- Provides stability to entrepreneurship activities.
- Provides linkages to markets, investors, partners, customers, suppliers, business support services, and capacity developers.

Background

Freetown Pitch Night was initiated and started by SOBA. **SOBA** is a market systems development programme that aims to reduce poverty in Sierra Leone. The SOBA program ended in August 2017 and GEN SL took over the management and running of the Freetown Pitch Night.

The Global Entrepreneurship Network (GEN) provides a year-round platform of programs and initiatives aimed at creating one global entrepreneurial ecosystem. GEN helps people in 170 countries unleash their ideas and turn them into promising new ventures—creating jobs, accelerating innovation and strengthening economic stability around the world.

Freetown Pitch Night- A Critical Element in an Entrepreneurship Ecosystem

The Freetown Pitch is more than a night where entrepreneurs pitch their business ideas. It is a platform for them to connect, build their network and crucially, demonstrate their innovative abilities.

The Freetown Pitch Night is part of efforts to build an ecosystem in Sierra Leone that will support a new breed of entrepreneurs-value creating entrepreneurs.

Value creating entrepreneurs (as opposed to rent seeking entrepreneurs) need an ecosystem that would allow them to flourish. We are beginning to now see the slow emergence of a significant number of such entrepreneurs. At the August Pitch Night, we witnessed three innovators in the Circular Economy. These entrepreneurs where

turning waste to wealth, not only creating value for themselves, but for society as whole.

There are several entrepreneurship value creating styles. In essence, value creating entrepreneurs seek to create value for society, seek a higher purpose than simply making money. These entrepreneurs have a clear blue print for their company's genuine contribution to our society. Further, the entrepreneur's existence is reflected in the products and services they create and how their company operates.

This is the opposite of a rent seeking entrepreneur which is defined as the use of the resources of a company, an organization or an individual to obtain economic gain from others without reciprocating any benefits to society through wealth creation.

Freetown Pitch Night provides opportunities to enhance the development of a new breed of value creating entrepreneurs in Sierra Leone; entrepreneurs that will create world class products and services while addressing local needs.

In all of this, let us not forget that the most crucial aspect is the human capital. In short, we need information literate, creative problem solvers, designers and innovators. Therefore, we are exceptionally pleased with our partnership with Limkokwing University of Creative Technology.

Limkokwing University of Creative Technology is an international University with a global presence across Asia, Africa and Europe. Founded in 1991, the University has established worldwide recognition through its innovative brand of creative education merging the best of East and West learning.

Limkokwing Institute of Creative Technology (as it was then known) was established in 1991 by founder and namesake Professor Emeritus Tan Sri Dato' Sri Dr Lim Kok Wing. Its first campus consisted of a few bungalows in Jalan Tun Razak, Kuala Lumpur. On 18th March 2017, Limkokwing University officially opened its new campus in Sierra Leone.

Limkokwing University is known for its unique programmes focused on design, creativity and innovation, and acts as an incubator to harness talent and skill development. The University pioneered the '*industry*' programme (industry and university), which sees students work on projects commissioned by its partners and work side-by-side with industry veterans to create original work - all within the University's multicultural environment. By offering the latest programmes in Fashion, Architecture, Business, Digital Media and Creative Multimedia, Media, Design, IT, Music & Sound Technology, Games Design and Animation, and exposing students to

its industry partners, the University seeks to form the next global generation of achievers who go on to dominate their respective industries.

The Freetown Pitch Night provides a unique platform for students of Limkokwing Sierra Leone to showcase their creativity and innovations, and for entrepreneurs to pitch their business ideas. It is a platform for them to connect, build their network and crucially demonstrate their innovative abilities.

Indeed as the founder, Professor Emeritus Tan Sri Dato' Sri Dr Lim Kok Wing said, "the University's branch campus' main role in the country will be to use education as a means to help in the social and economic transformation of Sierra Leone."

"In establishing ourselves here, we have given ourselves the role of a global connector in promoting Sierra Leone, making use of the resources of our campuses across the world and the collegial network we have built, we shall work to bring the world to Sierra Leone and take Sierra Leone to the world."

"Here at this University, a student from even the most remote part of Sierra Leone will become a technology competent individual who is creative and innovative."

This is precisely what Sierra Leone - students can become, creative problem solvers.

Tan Sri Lim also added that Limkokwing University has begun the process of transformation by creating the most high-tech learning environment to empower students with the latest in digital technology. This is in line with the University's vision to create graduates that will go on to become technology-savvy movers and shakers of the country.

Potential GDP growth and Job Creation

The job creation potential of value creating entrepreneurs is well document. In 2014, 10% of early stage companies in the world were responsible for 80% of job creation and 84% of revenue creation.¹

Similarly in Africa, SeedStars World's index revealed the correlation between the strength of countries' entrepreneurial ecosystem and national GDP: The three countries with the highest scoring entrepreneurial ecosystems - South Africa, Kenya, and Rwanda – all exhibit higher than average GDP per capita. (SOBA Report).

¹ WEF. "Entrepreneurial Ecosystems Around the Globe and Early-Stage Company Growth Dynamics" 2014

Across Africa, we see new wealth been created because of the use of technology. We are facing in the 21st an era of **digital disruptions**. It has also been recognized that innovation and technology hold the key to solving Africa’s developmental challenges. We have examples of innovations that have transformed whole societies and even countries.

There is now a universal acceptance that Entrepreneurship and Innovation holds the key to development in Africa.

Indeed, the past decade indicates that services and telecommunications are key drivers of economic growth.



- Over the past decade Africa was among the world's fastest-growing continents—its average annual rate was more than 5%
- Growth is even faster in services, which expanded at an average rate of 2.6% per person across Africa between 1996 and 2011.
- Tourism, in particular, has boomed: the number of foreign visitors doubled and receipts tripled between 2000 and 2012
- Despite falling commodity prices, growth is forecast at 5%. Telecommunications, transportation and finance are all expected to spur economic growth.

Attractive for Investors

Foreign investors, even in the traditional sectors like agri, are biased towards projects that use technology to either create or deliver value. For example, Agtech. In Sierra Leone, we will not be able to sufficiently attract such investments if we do not build the ecosystem that supports entrepreneurs to develop solutions using modern technology, either communications or software.

Investment in the traditional sectors of our economy has been problematic. Issues of governance and corruption seem to go hand in hand.

The fact is that a new type of international investors are moving more towards tech, services and value creation instead of towards resources, for example. These investors are also cautious of the environmental impact of certain economic activities.

The diagram –“For Richer, for poorer” shows that FDI into resource poor countries is increasing.



We have seen a rise of investors into African Incubators in countries such as Kenya, Nigeria, Ghana and Uganda. Facebook, Microsoft and Google are increasingly using investment funds to target African startups.

According to Gabriella Mulligan of ThisisAfricaonline.com “ New data charting investment activity flowing into Africa’s tech start-ups shows that international investors are taking notice. According to Disrupt Africa, a portal for start-ups and accelerators across the region, tech start-ups on the continent raised more than \$129m in 2016”.

This is a significant amount when one considers the capital needs of these startups are average 500.000 USD, with the potential upside huge.

“Overall, 146 start-ups raised investment, a 16.8 per cent rise in the number of funding rounds compared to 2015”, according to Gabriella Mulligan .

Indeed, the theme for our next pitch night on September 6th is Fintech. FinTech is represent technologies that are disrupting traditional financial services, including mobile payments, money transfers, loans, fundraising, and asset management.

Many in Sierra Leone still do not have access to financial services. Further, this is an attractive sector for tech investors.

According to Tom Jackson, Disrupt Africa’s co-founder, fintech appeals to investors because it checks two boxes. “Investing in fintech start-ups offers investors serious potential returns, given the size of the untapped markets these companies can reach,” he explains. “There is also a strong impact angle in that new forms of financial service provision have the ability to empower and connect unserved Africans.”

Other sectors noted in the piece by Gabriella Mulligan of ThisisAfricaonline.com are E-health and Agri tech. Agri-tech space, for example, saw an incredible growth of 8,660 percent in the amount of funding received, as compared to 2015.

The Freetown Pitch is a significant step in “exposing” the innovative and entrepreneurship talent we have in the country. All our Pitchers will be profiled in the GEN Global Website; Innovation Sierra Leone website, Innovation Africa website and Startupsierrealeone.com

With the Freetown Pitch Night and the efforts of our partners such as Cordaid, we are creating a platform for value creating entrepreneurs in Sierra Leone. These are the entrepreneurs that international tech investors go after.

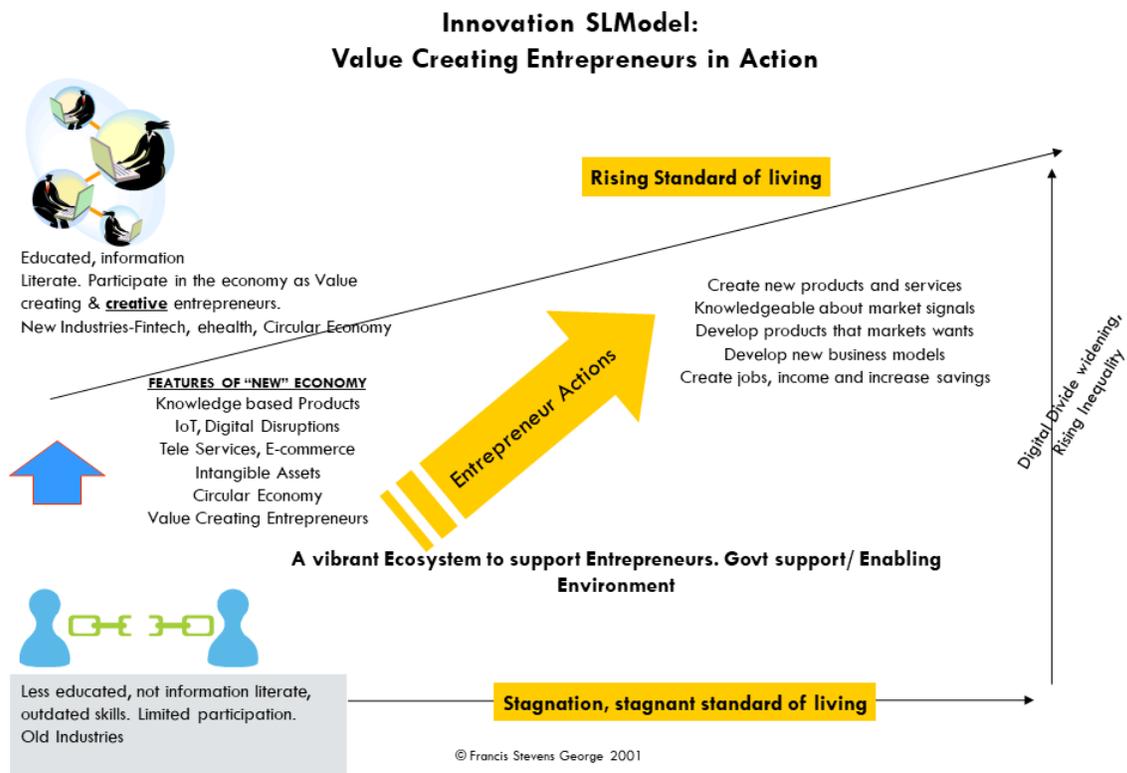
We also see, non-traditional partners recognizing the importance of building this ecosystem. Sierra Leone Brewery, through of its brand-Mutzig- is the main sponsor of the Freetown Pitch Night. The Brand connects with and has become part of a platform that builds, nurtures and provides opportunities to a new breed of Entrepreneurs in Sierra Leone.

Sierra Leone Brewery actively find ways, through our platform, in which it can support these new entrepreneurs. For example, for the GEW Freetown Pitch Night, Sierra Leone has donated the second and third place prizes, which are both a membership at the Sensi Tech Hub in Freetown.

By providing the Freetown Pitch Night as a platform for these entrepreneurs to showcase their products and services, we will also expose them to a local and an international investors.

The Bottom Line

In 2001, I develop a model based on Joseph Schumpeter models of Innovation and Entrepreneurship. My model seeks to connect the actions of Entrepreneurs in the “next economy” (new) and the outcomes in terms of GDP growth and job creation.



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We now live in a knowledge-driven economy, which brings new challenges for countries and businesses. Markets are becoming more global with new competitors, product life cycles are shortening, customers are more demanding and the complexity of technology is increasing.

The competitive advantage of countries are found in the pool of knowledge workers and not in their natural resources.

In Sierra Leone, we need to take cognizance of this and work to harness and nurture entrepreneurs who embody this pool of knowledge.

We also need to provide these individuals with the support they need to flourish.

This ties in with an economic diversification policy that encourages the development of non-traditional industries and not least entrepreneurs that leverage modern technologies.

The challenges Sierra Leone faces are the same the African continent and indeed much of the developing world faces. In the African context, to turn jobless growth in to job creating, poverty reducing growth, governments will need to transform their economies to be more competitive, productive, diverse and supportive of business, especially the small businesses that are the engine room of Africa's growth and job creation.

Indeed, Sierra Leone needs to diversify its economy away from an unhealthy dependency on the mining sector to other sectors. In particular, sectors that are ripe for entrepreneurship such as tech, services and supply chain enhancements and solutions. Between 2011-2013, Sierra Leone was one of the fastest growing economies not only in Africa, but in the world at 8% annual GDP growth. However, much of this growth was jobless!

It is therefore critical to our development path, that we encourage and support this new breed of value creating entrepreneurs.

As such, the focus of the donors and Government has to shift from companies, start-ups to support the ecosystem. In other words, we move to a more system based- holistic- forms of support rather than the current company specific. This calls for supporting networks that work with entrepreneurs, and fostering synergies between the different players.

At the very least, The Freetown Pitch is fostering synergies between entrepreneurs, business services providers, investors, donors and other relevant stakeholders.

It is therefore a significant step in the right direction.

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