

# Finding innovative ideas and tangible solutions for financing young entrepreneurs



## SPEAKERS

■ **Francesca Brown**, Head, Community Programmes, Standard Chartered

■ **Nida Athar**, Director, INNOVentures Global, Pakistan

■ **Wong Keet Loong**, Senior Vice President, Credit Guarantee Corporation, Malaysia

■ **Joyce Mbaya-Ikiao**, Entrepreneur, Founder of Zydii

DATE: **30 JUNE 2020**  
THEME: **FINANCING**  
FORMAT: **ONLINE EVENT**

**Moderator:** Eugenia Koh, Head, Sustainable Investing & Engagement Strategy, Standard Chartered; Natasha Kwakwa, Director, Global Impact, Group Sustainability, Standard Chartered.

## INTRODUCTION

Young entrepreneurs – especially young women and those in low-income countries face numerous challenges in obtaining finance to scale up or develop their businesses. The barriers that they may face include insufficient collateral, underdeveloped track records, immature networks, weak credit ratings, and lack of know-how and role models. This event asked what can be done to overcome these challenges. It explored how to connect investors and young entrepreneurs and how innovative forms of finance can be developed to meet the specific needs of young entrepreneurs.

## KEY INSIGHTS

### BUILD ON EXISTING MODELS OF FINANCING

There are many different financing options that already exist to support young entrepreneurs. Joyce Mbaya-Ikiao highlighted the benefits of **segmented finance**, focusing specifically on women, start-ups, or digital enterprise, and **public sector grants**. Wong Keet Loong explained how **credit guarantees** can encourage commercial banks to “be bolder in investing in untested business areas” and gave insight into other available forms of finance including **Enterprise Capital Funds**, which may combine public and private money and act as a bridge between MSMEs and investors; **peer-to-peer lending** and **crowd-funding**; and **bridge financing**, particularly to help with the disruption of COVID-19. Importantly, the development of **alternative models of credit rating**, for example, based on e-wallets and digital marketplace transactions, are now acting as a bridge to formal finance for those who have previously been excluded.



The event was part of the Futuremakers Forum, a series of events bringing stakeholders together to build partnerships and create opportunities focused on young people.

## CONNECT INVESTORS AND ENTREPRENEURS

Investors and businesses can **leverage their existing networks**, particularly at the local level, while **digital platforms** are giving young entrepreneurs access to a global audience. Networks and platforms must be **designed with inclusion in mind** – particularly of youth, women and disabled people. Partnerships can be developed to **bring together investors and entrepreneurs with a shared sense of purpose**. For example, bringing together those striving for the greater economic empowerment of women, or connecting young investors with young entrepreneurs around common objectives.

## TEACHING SKILLS THAT BUILD THE CONFIDENCE OF ENTREPRENEURS AND INVESTORS

**Building an entrepreneurial mindset** can be achieved through formal educational institutions, incubators and mentoring schemes, but **formal curricula must be directly linked to a practical component**, such as field testing, pricing and establishing partnerships. Joyce Mbaya-Ikiao highlighted the importance of creating space for **peer-to-peer sharing of successes and lessons learned**. Programmes that blend these theoretical and practical skills can be developed through **partnerships between the business sector and educational institutions**.

## OFFER HOLISTIC SUPPORT TAILORED TO NEED

Francesca Brown advocated that companies **“be bold about supporting entrepreneurs with innovative and interesting approaches** and providing emergency support.” Different enterprises will need differing levels of funding and will have different tolerances for risk. Beyond financial backing, **some young entrepreneurs will benefit from a broader package of support** including networking; mentoring; skills training, such as digital skills or online marketing; access to specialised skills,

for example, lawyers, accountants and social media agencies; and accelerator programmes to help scale up, particularly through digital channels.

## REMOVE BARRIERS FOR WOMEN AND DISABLED PEOPLE

Nida Athar commented that **female entrepreneurs may need help to become investment-ready**. Specific programmes can help women to separate their personal finance from their business, develop expenditure statements, understand the power of networking, build confidence, learn how to present their business and articulate their needs. Additionally, such programmes can **connect women with female investors** and **make warm introductions** to other potential funding sources. Another frequently excluded group are visually impaired people. Francesca Brown urged investors to **“be more insistent and inclusive”**, starting with **small initiatives to build confidence** in what can be achieved.

*“Entrepreneurship is not just an act of starting a business; it’s actually a mindset that teaches you flexibility, perseverance, resourcefulness. These are important skills”*

Nida Athar



## BENEFICIARY CASE STUDY: JOYCE MBAYA-IKIAO, FOUNDER AND CEO OF ZYDII

Joyce Mbaya-Ikiao is the entrepreneur behind Zydii, the digital learning platform contextualised for the African learner. She is also a former star of The Apprentice Africa 2008 and author of *GIBEBE: Imagine Your Success Path, Believe In The Impossible, Become Who You’re Meant To Be*.

Joyce’s greatest challenge was securing capital to grow her business. Digital platforms can be challenging to finance due to a lack of tangible assets. Standard Chartered’s Women in Tech programme enabled Joyce to access funds specifically targeted at women who are driving technological enterprise.

“Most importantly, they really took the time to understand our businesses, our strategy, they mentored us and really understood how we wanted to grow our business. So, when it came to financing us, they knew us very well. This also allowed me to meet my first investor.”

## KEY RECOMMENDATION

Create a platform for private sector stakeholders to collaborate and develop a financing model that supports the growth of micro and small youth-led business, solving the challenge particularly of working capital finance.