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(THESIS)

**BUSINESS ACCELERATOR INTERVENTIONS AND MSME GROWTH IN LUSAKA,
ZAMBIA**

BY

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AUTHOR'S DECLARATION

I **Chembo Mwape**, declare that the work in this research has been completed in accordance with the regulations of the University of Zambia, Graduate School of Business and it is original unless otherwise stated in the text by a specific reference. There has been no presentation of this paper to any other educational institution. Any opinions expressed in the research are solely those of the authors and do not represent the School in any way.

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APPROVAL

This Dissertation by Chembo Mwape has been approved as part of the requirements for the award of the Degree of Master of Business Administration Management Strategy.

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ABSTRACT

The Zambian government and numerous stakeholders have been at the forefront of creating a conducive climate for MSMEs to thrive by implementing various programs and policies. Despite these interventions, the failure rate of MSMEs is alarmingly high and currently stands at 50% (Chilembo 2021). Business accelerator programs aim to improve the survival and success rate of MSMEs and consequently reduce the failure rate of MSMEs in the country. They have increased in number and popularity in the past 5 years. Considering that MSMEs are a key vehicle to national social-economic development, this study sought to assess the the influence of accelerator programs to the growth of the ventures they support. This study employed a mixed methods approach to identify the support provided by business accelerators to MSMEs in Zambia, which type of support MSME's found most valuable and to investigate the relationship between accelerator programs and MSME growth. The sample consisted of 5 Business accelerator firms and 50 MSMEs from Lusaka. Questionnaires and interview schedules were used as instruments for data collection. The data was analyzed using descriptive and inferential statistics and presented in tables, bar charts and bar graphs. Some data was thematically and qualitatively analyzed. The study established that accelerator programs had a positive relationship to MSME growth. The findings indicated that the accelerator programs offered MSMEs interventions including capital, mentorship, training and networking. The study also concluded that training is the most beneficial intervention received by participants in acceleration programs. The study recommends need for increased capital funding for business start-ups and for purposes of expanding already established businesses. There is also need to expand the training of new entrepreneurs in order to equip them with relevant skills that would enable them manage their businesses better, and steer their businesses in the right direction.

Keywords: *Accelerator Programs, MSMEs growth, National Social-Economic development, Entrepreneurship*

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DEDICATION

I dedicate this research project to my dear husband Mutenta, you have been my pillar of strength throughout this project. I am grateful for all the time you have put into my studies and your unwavering support and encouragement. Thank you for always having so much confidence in me.

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ABBREVIATIONS AND ACRONYMS

BDSS	Business Development Support Services (BDSS)
EDD	Enterprise Development Division
FSD Zambia	Financial Sector Deepening Zambia
GRZ	Government of the Republic of Zambia
IRC	Information Resource Center
MMD	Movement for Multi-party Democracy
MSMEs	Micro, Small and Medium Enterprises
SME	Small and Medium Enterprises
SIDA	Small Industries Development Act
SEDO	Small Enterprise Development Organization
SEDA	Small Enterprise Development Act
SPSS	Statistical Package for Social Sciences software
ZDA	Zambia Development Agency

CHAPTER ONE

INTRODUCTION AND BACKGROUND TO THE STUDY

1.0 Introduction

The key aspects of launching, growing, and sustaining an enterprise of any sort are networking, intellectual capability, and dedication. Accelerator programs are a vital element of the entrepreneurial eco-system, since they combine feedback, networking, and intellectual power to help businesses grow and thrive. Accelerator programs are defined as limited-duration programs that help businesses build and launch their ventures. Accelerators usually bring in peers and mentors from the larger regional community, such as successful entrepreneurs, accelerator program alumni, venture capitalists, angel investors, attorneys, accountants, or corporate executives, to provide networking, educational, and mentorship opportunities (Cohen, 2013). Most programs conclude with a huge event known as a "*demonstration day*", and this allows participating teams to pitch their ventures to a large group of qualified investors (Cohen and Hochberg, 2014).

Like angel investors and incubators, the accelerator programs have played a vital role in the development and growth of various businesses in many communities across the globe by enabling the transition of various small and medium sized firms from premature stage to fully grown business ventures (Clarysse, Wright, and Hove, 2015).

Cohen, (2013) asserts that in the United States of America, small and medium businesses are uniquely and highly supported accelerator programs. These programs consist of a combination of business development processes, infrastructure and people designed to nurture new and small businesses by helping them to strive and grow through the difficult and vulnerable early stages of development. In countries like Canada, Clarysse, Wright, and Van Hove, (2015), posits that these programs are normally sponsored by private companies or municipal entities and public institutions, such as colleges and universities, and have proven a milestone of sustainable growth for SMEs. In some European countries like Germany, the programs are known as innovation centers which allow SMEs to be equipped with adequate experience, and resources to start and sustain their ventures (DFG, 2016).

The Zambian government, through the Ministry of Commerce and Industry, has used some form of business accelerators as one of the tools in supporting SMEs. Examples of government's programs include the Youth Empowerment Fund (YEF) (Youth Empowerment Programme of the Ministry of Youth and Sports, 2015) and the Citizen Economic Empowerment Commission (CEEC) (Ministry of commerce trade and industry, 2015). The government has also set up industrial zones/clusters known as Multi Facility Economic Zones (MFEZ) as a form of business accelerator (ZDA, 2015). Business accelerator programs in the private sector have also emerged in the recent past. These include organisations such as Kukula Capital Venture, Awesome Foundation Lusaka, African Women Development Fund, Bongo Hive, The Nokia Accelerator Program, Nyamuka Zambia, Growth Africa and FinTech4U.

1.1 Background

The role of small businesses in national development world-wide has become a very important topic on the development agendas of most governments (Mate, 2009). According to Nuwagaba, (2015), Zambian government began pursuing the development of the small business sector in the late 1970s when it became evident that the major business sector mining, could not accommodate all those in need of employment. Similarly, FSD Zambia (2009) states that the government recognized the role and importance of the SME sector in contributing to the country's social and economic development in 1981 and enacted the Small Industries Development Act of 1981 (SIDA) to make the sector more orderly and effective. This was after realizing that SMEs were experiencing severe financial difficulties. In the same year, the government formed the Small Enterprise Development Organization (SEDO) to help improve the functions of the SIDA.

Likewise, according to Chewe (2020), following the economic liberalization reforms formulated by the third republic, SMEs exploded in number after 1991. The MMD government's economic reforms intended to accelerate the transition of Zambia's economy from being predominantly operated by state enterprises (parastatals) to private sector, and this resulted in an increase in several SMEs in a variety of sectors. Since then, the number of registered SMEs in the country has increased, although a considerable fraction of them continue to operate as unregistered enterprises. According to ZDA (2020), Services, retailing, agriculture, small-scale mining, transportation,

education, hospitality and food, tourism, transportation, technical skills and technology are among the key areas of specialization for Zambia's SMEs.

The Industrial Trade and Commercial Policy in 1994 and the amended the Small Enterprise Development Act (SEDA) in 1996 were then amalgamated into the Zambia Development Agency Act, also known as ZDA Act No. 11 of 2006. This specifically became SME division built with a zeal to accelerate the growth and development of SMEs sector in Zambia (FSD Zambia, 2009). The Zambia Development Agency (ZDA) through its Enterprise Development Division registers formalized Micro, Small, and Medium Enterprises (MSEs) so that they can take advantage of the Agency's Business Development Support Services (BDSS).

Additionally, the Micro, Small and Medium Enterprise Development Policy has overtime been implemented by the Zambian government from 2010 to 2019 with the goal of tackling the difficulties that have hampered the development of MSMEs in Zambia for a long time. The overall objective of this policy is to create a vibrant, and dynamic sector that contributes 20 percent to Gross Domestic Product (GDP) and 30 % annually to the creation of decent employment. To enhance the functions of the policy, the (CEEC) was also launched with an aim of providing funding to entrepreneurial Zambian citizens.

Apart from the Micro, Small, and Medium Enterprises Development Policy, many local and international stakeholders, including the World Bank Group, Zambia Business Forum, and FinMark Trust, have partnered with the Zambian government through the Private Sector Development Program (PSDP) to create various platforms and programs aimed at accelerating the growth and recognition of MSMEs in national development since 2010 (ZBS, 2021). The Zambian Business Survey (ZBS), for example, is one of the country's first platforms of its kind, designed to assist policymakers, funders, training institutes, and financial service providers in better serving the Micro, Small, and Medium Enterprises (MSMEs) that dominate the Zambia's economic spheres.

Illustratively, according to Zambia Invest, (2017), several initiatives have been undertaken to improve the sustainability of SMEs in Zambia. In November 2016, the Industrial Development Corporation (IDC) of South Africa signed a line of credit of USD 20 million with the Development

Bank of Zambia (DBZ) to support SMEs in Zambia. In October 2016, USD 50 million line of credit was secured with DBZ for lending to local SMEs. Earlier in 2016, DBZ allocated USD 30 million for lending to SMEs in the country. In March 2015, the African Development Bank (AFDB) approved USD 3 million line of credit to Madison Finance Company, a financial institution targeting local SMEs in Zambia by offering various financial products and services. These loans mean to create stable employment, empower citizens, develop infrastructure, and contribute to Zambia's economic growth (Zambia Invest, 2017)

Despite these efforts, enterprises in this sector remained stagnant in terms of potential growth (Chisala, 2008). The World Bank (2022) articulates that, the lack of access to markets and capital, skills gaps, and failure to satisfy international standards of operation are among the obstacles that MSMEs in Zambia confront in growing their businesses.

1.2 Problem Statement

Several well-crafted strategies, policies and interventions have been targeted towards the development of the MSME sector in Zambia. However, despite these efforts, the MSME failure rate is still very high and stands at fifty percent (Chilembo, 2021). Most businesses start small and barely grow above the start-up size, causing the sector to operate at less than its minimum potential. Furthermore, statistics generated in the report of Katubiya, (2015) indicate that, one-third of Zambian start-up businesses fail within the first three years of operation, with the remaining half failing in the fifth year. MSMEs are an important vehicle to addressing the challenges of job creation, sustainable economic growth and equitable distribution of income and are thus essential to the stimulation of economic development in a nation. The high failure rate of MSMEs paints a bleak picture of this sectors potential to contribute meaningfully to job creation, economic growth and poverty reduction (Bushe, 2019). Previous research on governmental policies supporting entrepreneurs particularly MSME's, has focused on incubators and export-promotion programmes (Leonidou et al., 2015). Other studies have focused on incubator programs (Kasase, 2017), MSME funding sourcing and implication on repayment (Banda, 2017), and business skills development for MSMEs (Bwalya, 2016). To date, it is difficult to find scholarly work that has been documented to precisely articulate the accelerator programs that available to MSMEs, and how MSMEs can access and make full utilization of them. Furthermore, at the broader scale, there is no literature to

support how business accelerator programs really support MSMEs attain their potential growth, as a result, the measures that the government and other stakeholders can take to ensure success and growth of MSMEs through business accelerator programs, are not well known and hypothetical.

1.3 Research Aim

The aim of the study was to assess the influence of accelerator programs to the growth of the ventures they support.

1.4 Objectives

1. To identify the support business accelerators provide to MSMEs in Zambia
2. To determine which types of support offered by accelerators add the most value to participating startups.
3. To determine the relationship between accelerator programs and MSME growth in Zambia.

1.5 The Research Questions

This research sought to answer the following questions;

1. What support do business accelerators provide to MSMEs in Zambia?
2. Which type of support offered by business accelerators adds the most value to participating firms?
3. What is the relationship between business accelerator interventions and MSME growth?

1.6 The Significance of the Study

Ngoma (2006) defines the study's relevance as its usefulness to the public, including the government, community, Ministries, agencies, and other key stakeholders. With that said, this study will generate the new body of knowledge on business accelerator programs and MSME growth in Zambia. Secondly, this study is important because Zambia's informal sector will be the main driver of economic growth until the year 2030, as indicated in the Seventh National Development Plan (ZAMBIA, 2021). Stimulating small to medium enterprises through accelerator programs should be a major part of actualizing the national development plan which is what this study seeks to investigate. The study is also significant because the data derived from this research

will provide insight to policy makers on the viability of accelerator programs in the country and beyond. Lastly, the findings of this study will inform established accelerator programs in Zambia on their business model and enhance their business success.

1.7 Scope of the research

This study was conducted in Lusaka Central Business District (CBD). Lusaka's Central Business District was selected because the area is the center of all vital, and commercial business activities across the country and most of the firms offering accelerators programs have their headquarters there.

1.8 The Structure of the Project/Thesis

This thesis consists of seven chapters. Chapter one contains the introduction and background to the study followed by the problem statement, the general purpose, specific objectives and research questions. Likewise, the first chapter also covers, the scope, significance and definition of operational terms. Chapter two contains the literature review, which expounds on variables generated in chapter one, and literature from studies previously conducted on the topic. Likewise, chapter two also contains theoretical framework where the theories anticipated to guide the study are reviewed and synthesized. Chapter three presents the theoretical and conceptual framework. Chapter four comprises of the research methodology where the research design, framework, data collection methods, instruments, procedures, analysis instruments and ethical considerations are all outlined. Chapter five consists of the presentation of findings from the field data, and the discussion to the findings was done in chapter six. Finally, the conclusions and policy recommendations in chapter seven.

CHAPTER TWO

LITERATURE REVIEW

2.0 Accelerator Programs

The concept of accelerator programs emerged in the mid-2000s with the first program, Y Combinator, being launched in Massachusetts in 2005 (Kohler, 2016). Two years later, Techstars – nowadays the second most successful accelerator after Y Combinator – started operating in Colorado (Hochberg, 2016). The aim of accelerator programs is to increase the success rates of new ventures and to accelerate their growth (Kohler, 2016). Therefore, accelerators typically provide cohorts of early-stage startups with initial seed funding, free co-working space and with educational, mentoring and networking opportunities for a limited time (Cohen and Hochberg, 2014).

The selection of startups for each program edition is cyclical and highly selective, with top accelerators' acceptance rates of not more than 3% (Miller and Bound 2011). Selection typically starts with an open call period, followed by a standardized screening process in which the business idea and founding team are presented to the accelerator team and to external stakeholders (Pauwels et al., 2016). Accelerators can be generalist or industry specific and usually take a small percentage of equity, 5-8% on average, from their participants (Cohen and Hochberg, 2014). Malek et al. (2014) points out that accelerators originally focused on start-ups in the digital media sector, but now have expanded to support ventures in a range of industries, such as biotechnology, wireless and telecommunication, and internet. Finally, before “graduating” from the programs after approximately three months, startups pitch to a broader audience including the press and possible investors at a large-scale “demo-day” (Cohen and Hochberg, 2014).

According to Cohen, (2013), a business accelerator is a program that provides emerging businesses with coaching, investors, and other resources to help them grow into stable, self-sufficient enterprises. In general, they assist businesses in defining and building their initial products, identifying viable client categories, and securing resources such as cash and people. They typically provide a small amount of initial capital as well as office space. They also provide numerous networking opportunities with peers and mentors who may be successful entrepreneurs, program

graduates, venture capitalists, angel investors, or even corporate executives. Finally, most programs conclude with a spectacular event called a "demo day," in which businesses pitch to a large group of qualified investors.

Businesses that use business accelerators are often start-ups that have progressed beyond the initial stages of development (Cohen and Hochberg, 2014). They have essentially reached "adolescence," which means they can stand on their own two feet but require instruction and peer assistance to acquire strength. Less developed enterprises that are not ready for an accelerator program will seek assistance from a business incubator.

Akila (2014), outlines that one of the components of the accelerator intervention is a well-structured regular mentorship program aimed at providing guidance to the refinements of the businesses, provision of networking opportunities as well as the building of the stakeholders' trust who may become the subsequent investors in the businesses after a conclusion of the program. Mentors are normally the successful entrepreneurs who are evaluated prior the inclusion to the program. Some mentors may be ad hoc with long-term commitments with the accelerator firms while others may eventually invest in the businesses they mentor (Cohen and Hochberg, 2014).

Furthermore, Akila (2014), articulates that the culmination of the program is usually the receipt of funding by the accelerated businesses in form of seed capital and this may sometimes be non-refundable grants or investments in the exchange of the small percentage equity (Cohen and Hochberg, 2014). The accelerator programs, according to Cohen and Hochberg, (2014), create the post-program support which involves the public relations opportunities; investors connections; partnership with boards; human resource support; regional meet-ups; on-line groups and work space. The accelerator programs further maintain the data-base of the alumni and graduates who are further used to market the programs to the potential applicants. This is in addition to the periodic events for the program alumni who are invited to share their stories to the program beneficiaries, (Akila, 2014).

2.1 The MSMEs Sector in Zambia

Zambia has become one of the best-performing economies in Sub-Saharan Africa, due to strong growth indices fueled by growing youth, urban, and middle-class populations. Forbes (2019),

ranks Zambia as the 10th among the countries with the best business environment in Sub-Saharan Africa. Natural resources are also critical to the country's economic well-being, and the fact that Zambia is one of the world's top producers of cobalt and emeralds, as well as Africa's second largest copper producer, offers it a significant opportunity to substantially develop in all its sectors. According to Seventh National Development Plan (2017–2021), Zambia has the opportunity to diversify its agriculture, mining, manufacturing, and tourism industries by producing and exporting atypical commodities. This can be accomplished through product and market diversification, value addition, increased firm productivity, and increased non-traditional export contribution.

Micro, Small and Medium-sized Enterprises (MSMEs) in Zambia play an essential role in production, employment, and income generation. They account for 97 percent of all enterprises in the country, 70 percent of GDP, and 88 percent of total employment. The three main sectors of SMEs' operations in Zambia are Trading, Manufacturing and Services. The ITC survey's findings (2020), state that, 47% are of registered enterprises are micro, 28% small, 13% medium-sized, and 12% large. Out of these enterprises, 30% are women owned and 70% are not women owned, with trading accounting for 12% percent of the SMEs, manufacturing accounting for 43% percent, and services accounting for 45% percent. Out of these SMEs, 43% were found out to be exporters and 57% to be non-exporters for their businesses.

Kambone (2017), states that, the manufacturing sector comprises of the businesses which produce a wide range of items, including wood products, textile products, metal fabrication, food processing, light engineering, leather products, handicrafts, and ceramics and so on. In this sector, the SMEs do support individuals in getting a fair livelihood. Likewise, the service industry includes transportation, restaurants, cleaning services, hair salons, barbershops, telecommunication services, cleaning, personnel services, building and construction. The trading sector, which mainly involves the selling and buying of the industrial and consumer items, is where agricultural inputs, and produce are concentrated. It also consists of the industrial and consumable products, and printing, with considerably few SMEs operating in small-scale mining and quarrying, and many in retailing of various sorts of commodities, and a substantial number of them are marketers. Businesses in this sector are mostly informal.

Most of these business owners' primary purpose is to provide jobs and revenue to meet personal requirements. The employment of low-level technology and a focus on local and less affluent market segments are also characteristics of most SMEs' business activity in Zambia (ICT, 2020).

2.2 The Concept of Business Growth

As cited by Farouk, and Saleh, (2011), business growth is a phenomenon that occurs when a venture's success is influenced by its owners, employees, and external circumstances. Growth is illustrated in the business when a venture develops its customer base, increases revenue volume, produces more or attains an increased profit level, and ultimately increases its workforce. Growth may be considered by some entrepreneurs as merely survival of the business, whereas in the view of others, growth is nothing more than provision of personal satisfaction for themselves or the ability to meet social, environmental and family responsibilities (Storey and Greene, 2010). Others look at growth from the perspective of the performance of the business based on sales level, profit margin and market share. SMEs go through six major stages of growth and these are; idea generation, development, launch, survival, success, expansion, and scaling.

The idea stage, as cited by Okpara (2011), entails an individual or group of individuals who are potential entrepreneurs developing a business idea and plan. It is the stage at which aspiring entrepreneurs have made the decision to become entrepreneurs or small business owners but have not yet started their businesses. It refers to the period when these aspiring entrepreneurs are examining the viability of their service or product as well as their potential customer. Entrepreneurs in the early stages of development have made the decision to start a business and are working to expand their market and improve their product or service. They may not have many (or any) customers, but they have made up their minds about starting a business (Okpara, 2011).

Entrepreneurs in the survival stage have a business plan and are extending their revenue streams with new clients and customers, (Olawale and Garwe 2010). It does not necessarily mean they're completely operational, but there's no doubt they've developed a plausible business model. The success stage is described by Olawale and Garwe (2010) as the stage when an enterprise is functioning at full capacity, and the demand for their products and services surpasses their ability to produce them. The business increases its work force, and operational capacity to meet and sustain the generated demand.

The expansion stage, on the other hand, entails entrepreneurs or small businesses determining what caused inefficiencies during the success stage, correcting them, and continuing to operate efficiently while growing rapidly. Firms frequently have finance and operations teams in place at this level to provide the assistance they need to focus on their core competencies. Finally, and most critically, scaling occurs when SMEs reach maturity and discover that their business is no longer appealing to particular client segments, which is when innovation ideas broaden. In most businesses, this is common and expected (Okpara, 2011). An enterprise may decide to expand after establishing itself in one market. SMEs will aim to replicate their success or grow their business into new markets.

2.3 Empirical Review

This section focuses on the tested studies that have been conducted on the topic from global, Africa and Zambian perspectives. The gaps to be filled by this study are, therefore, identified and the contributions that the study is anticipated to offer are then articulated.

I-DEV International and Aspen Network of Development Entrepreneurs (ANDE) and agro partnerships (2014), assessed the value created by the accelerators and incubators on the growth of SMEs in Georgia in United States of America. One of the study's aim was to evaluate the measurable value created by the incubator and accelerator programs. The study found out that the average compound annual growth rate across all the 36 early stage entrepreneurs grew at 86% after the two of participation from \$125, 000 in year 0 to \$197, 000 to year 1 and \$434, 000 in year 2. Only 2 out of 36 registered negative growth. An analysis of the growth in terms of employment showed a substantial influence of accelerators and incubators on the growth of SMEs which indicated that an average number of the employees increased with 20% in year zero, to 92% in year 1, and 61% in year 2. The study found out that among the skills acquired were the ability to access the mentors and viable entrepreneurs, development of the business plans, and access to peer mentorship. These were identified as most notable benefits that the SMEs had gain from various incubator and accelerator programs.

The findings of this study shed light on the subject of 'the value created by accelerator and incubator firms on the growth of SME's'. However, since the study was conducted in a country

with substantially advanced social and economic variables, this leaves a gap that needs to be filled by conducting this study in Zambia.

In Kenya, the Argidius Foundation (2015) did a desk study with the goal of profiling various organizations with the ability to stimulate and accelerate the establishment and expansion of SMEs. The study looked at 18 accelerator companies out of 109 in Kenya at the time. The accelerator firms' primary concentration, according to the report, was in the agricultural and technology sectors, such as software and mobile applications. The study's findings also revealed that the accelerator firms were largely located in Nairobi, a city, indicating a bias in terms of geography.

Likewise, because the study focused on accelerator enterprises in Kenya, an East African country, this study will provide a crucial building brick to the foundation of this study. However, because the study was conducted in Kenya, a country with a significantly different economic background, was a desk review, and only focused on Accelerator firms in Kenya, leaving out the perspective of enterprises, there is a gap that needs to be filled by a study in Zambia that includes both primary and secondary reviews and includes both firms and enterprises.

Gikabu (2020), conducted the study in Kenya which focused on the influence of the accelerator programs on MSMEs in Kenya supported by Tony Elumelu Entrepreneurship (TEE) program through an in-depth analysis of the enterprises that had benefited from the program. The population was the Kenyan MSMEs that had gone through the program in the period of 2015 to 2017. The study found out that all the sampled MSMEs has received the seed capital from TEE, and a number of them had cultivated abilities and skills to source other additional capital from banks and other means such as table banking. The seed capital was found to have yielded a significant impact on the growth of MSMEs.

Likewise, the study also found out that the mentorship programs had helped the enterprises build the required skills in business planning and develop the new business ideas and innovative solutions/strategies which subsequently influenced their growth. The study also found out that the TEE had rendered various forms of trainings which substantially equipped the MSMEs with required management skills which helped them grow. The network provided was also indicated by

the study's report to have enhanced the beneficiaries' talents, knowledge, and helped them gain new business referrals and ideas which positively helped them grow. From the findings, the recommendations to increase funding to the MSMEs by the TEE program were generated.

This study narrowly focused on the influence of the accelerator programs on the growth of MSMEs, generating the required variables to guide the objectives of this research project. Nonetheless, owing the fact that the study was conducted Kenya, and focused on a single accelerator firm, TEE, creates a gap to be bridged by this study by conducting the similar study in Zambia and focusing on several accelerator firms.

The influence of business incubators on small business growth in Zambia was evaluated by Kasase (2017). The impact of Business Incubators (BI) on the growth of small and medium firms was investigated in this study. The study investigates the presence, awareness, beliefs, and experiences of people in Sub-Saharan Africa, as well as the important variables that influence them. The goal of the study was to assess whether the operation of business incubators will stimulate small and medium businesses in the same manner that it does in the west. The study accomplished this by reading relevant literature and analyzing data collected through a questionnaire. According to the study's findings, 64% of participants had heard of business incubators. This was accomplished by a scientific study with a carefully chosen set of interview questionnaires drawn from a sample of 300 small and medium-sized firms. Only 19 percent said a support campaign helped them with their business. A business incubator program would benefit the growth of their enterprises in numerous ways, according to 95% of all respondents. The survey also discovered that getting into a business incubator can be difficult. A notable example is the city's restricted access to small businesses. Second, respondents expressed dissatisfaction with the application process, which they felt needed to be streamlined and translated into local languages. Based on the empirical information acquired during the study, the research concludes that Business Incubators have a favorable impact on the growth of small firms in Zambia. According to the survey, 32% of incubated enterprises cut their operating costs. Entrepreneurs who got support from Business Incubators employed fewer staff than those who did not, according to current research. As a result, the study inquired as to how business incubators boosted the likelihood of a company's long-term survival.

Chewe (2020) conducted research in Zambia to identify the elements that promote sustainable SME growth and to determine the extent to which these factors have contributed to the stagnation of SMEs in Zambia. In order to play the expected role in Zambia's economic development process, the study also offered strategies to improve and sustain their growth. With 121 respondents, a survey method of data collecting using a self-completed Google Forms questionnaire was used. Officials from the participating SMEs provided all of the responses. The study found that competition from multinational corporations, corruption, high tax rates, funding and staff issues, as well as a lack of institutional support, are all significant barriers to SMEs' long-term success in Zambia. The study concluded that in order for Zambia's SMEs with growth potential to thrive, the government must provide the required infrastructure, provide proper training, and equip SMEs with marketing abilities in order for them to compete favorably with MNEs both locally and globally.

From the above, it can be noted that most of the literature review on the related topics are not from Zambia. Unfortunately among those that were done in Zambia, most studies concentrated on incubators and factors affecting the growth of SMEs in Zambia. The fact that the studies done in Zambia focused on the impact of incubators on business growth, and that the studies were conducted with a particular focus on Zambian SMEs, necessities the need for this research. This is because the current study will fill in the gaps by focusing on the impact of accelerator programs on the growth of small to medium-sized enterprises in Zambia, assessing the accelerator programs available in Zambia, how they impact SMEs' growth, and drawing the necessary recommendations.

2.4 Lessons Learnt from Empirical Literature

It can be deduced that in addition to mentorship and investment opportunities, a business accelerator gives growing companies access to logistical and technical resources as well as shared office space. An accelerator will also connect companies to networks of peers whose experience they can learn from. It is widely acknowledged that entrepreneurship is a key factor in economic growth and Accelerators are increasingly seen as an important policy tool, arguably the most important, for encouraging local entrepreneurship. The World Bank (2012) says “Entrepreneurial activity is a pillar of economic growth”, and there is a strong correlation between entrepreneurship

and growth (Smith 2010). The literature above, suggests that for balance, it should also be noted that the highest start-up rates are to be found in the poorest countries, and some economists have observed that entrepreneurs often earn less than they might reasonably expect in employment, suggesting to some that entrepreneurship is an inefficient use of human resources.

Accelerators are focused business support approaches that (i) run for a short period of time; (ii) focus on a small number of entrepreneurs with strong innovation potential or motivation to be innovative; (iii) use networking and peer-to-peer exchange widely (bringing together businesses, advisory, research, etc.); (iv) involve inspiring and innovative ways of supporting businesses; and (v) provide integrated business support (from emerging business ideas to starting up the business). As such, accelerators generate local economic development (e.g. through creating new revenue streams for enterprises), it increase the capacity and self-confidence of rural entrepreneurs and improve local networks (of entrepreneurs, researchers, municipalities, etc.).

Lastly, it can be noted that different types of accelerators offer different type of support to entrepreneurs and these varied support types affect ventures differently.

2.5 Theoretical Framework

A theoretical framework is a foundational review of existing theories that serves as a roadmap for developing the arguments the researcher will use in study. Theories are developed by researcher to explain phenomena, draw connections, and make predictions. A theoretical framework (also sometimes referred to as a foundation of theory) is essentially a set of concepts, definitions, and propositions that together form a structured, comprehensive view of a specific phenomenon. In other words, Herbert (2014) opines that a theoretical framework is a collection of existing theories, models and frameworks that provides a foundation of core knowledge so to speak, from which you can build a research study.

2.5.1 Perren's Framework

The framework is synthesized and applied to the growth of Small and Medium Enterprises in this project. The framework suggests that, there are two categories of an enterprise' growth stimulating

factors; interim drivers and independent variables. Perren (1999) suggests that, these categories of factors interact with each other, resulting in enterprise growth assuming the interaction is positive.

The framework describes the interim drivers as sales, operational capacity, employment, and operational space. On other hand, the independent variables consist of the variables that influence the interim drivers. The independent variables can be branched into internal and external variables. The internal independent variables are the factors that entirely depend on the stance of an entrepreneur such as personality traits of an entrepreneur, transferable experience, the entrepreneur's desire to grow, whereas the external independent variables are the ones that can be generated by the business' external forces such as economic forces, political stability of the country, social and cultural composition of the market niche, demographic composition of the market niche, the available initiatives to accelerate the SMEs' growth and more (Perren, 1999).

The independent variables such as personality traits, transferable experience, stakeholder patronage, and other external influences are relevant to micro enterprise growth in the framework (Perren 1999). This indicates that these independent elements must be positive in order to launch and sustain microbusiness growth. The lack of any of these characteristics, therefore, will have a negative impact on growth of SMEs. In other words, the presence of these independent elements might operate as a growth stimulant, whilst their absence can act as a growth limitation.

2.6 The Conceptual Framework

Kombo and Tromp (2006) states that a conceptual framework is typically a visual representation (although it can also be written out) of the expected relationships and connections between various concepts, constructs or variables. In other words, a conceptual framework visualizes how the researcher views and organizes the various concepts and variables within their study. This is typically based on aspects drawn from the theoretical framework, so there is a relationship between the two. Quite commonly, conceptual frameworks are used to visualize the potential causal relationships and pathways that the researcher expects to find, based on their understanding of both the theoretical literature and the existing empirical research. Therefore, the conceptual framework is often used to develop research questions and hypotheses.

Conceptual framework

Independent Variables (IV)

Dependent Variables (DV)

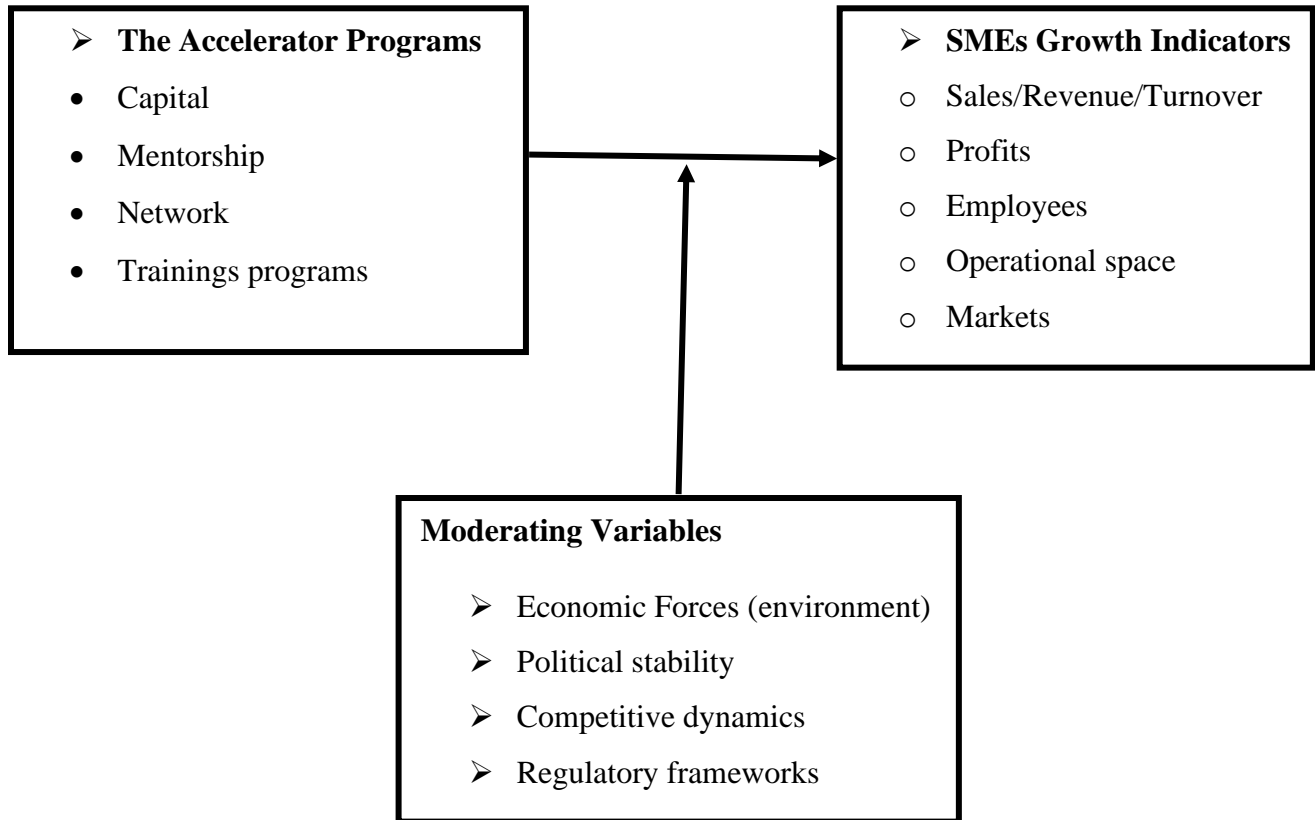


Figure 1: Conceptual Framework

Source: Author, 2022

The conceptual framework in Figure above depicts the basic assumptions underlying the influence of accelerator programs on the growth of Small to Medium-Sized Enterprises in Zambia. The conceptual framework depicts accelerator program interventions namely; mentorship, networking, training and capital as independent variables, and SME growth as the dependent variable. This means that the level of SME growth depends on how effective the accelerator programs can stimulate growth through the various components of their programs. It is important to note that all accelerator programs offer two or more on the aforementioned interventions in their programs. Moderating variables include external environmental forces. These influence the extent to which

the independent variables affect the dependent variable. Lastly, changes in the dependent variable are adopted from Perrens growth theory which states that growth is measured by an increase in sales volumes, revenue, patronage, increases in operational space and increases in employment generated.

2.6.1 Operationalization of Study Variables

	Variable	Indicator	Measurement
Dependent	Growth of SMEs	Increase in sales/revenue/turnover and profits	Net profits and net profit margin (ZMK)
Independent	Capital	Capital goods	Inventory (physical units) and/money (ZMK)
	Mentorship	Mentors and mentoring programs	Number of sign ups Number of active participants
	Networking	Relationships, coordination and participation	Follow ups and feedback
	Training programs	Training attendance Post training results	Training ROI Completion rate

Table 1: Operationalization of Study Variables

2.6.2 Research Hypotheses

1. H_0 : Business accelerators do not provide support to SMEs in Zambia.

H_1 : Business accelerators provide support to SMEs in Zambia.

2. H_0 : Business accelerator interventions do not have a positive relationship with SME growth.

H_1 : Business accelerator interventions have a positive relationship with SME growth.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter covers the methodology of the research. A research methodology, according to Kothari and Garg (2014), is an outline of how a given research project will be carried out. It specifies the processes or procedures, and as well as tools used to collect and analyze data on a certain research topic. Having stated that, this chapter discusses the study's approach, design, target population, sampling strategy, respondents' inclusiveness and exclusiveness, data collection processes, data collection instruments/tools, instrument validity, data analysis methodologies and tools, and ethical considerations.

3.1 Research Philosophy and Approach

This research was based on a realistic research philosophy. This means the study was done and concluded based how things are indicated and exist without influence of other necessities that would compromise data quality. The study used a mixture of both qualitative and quantitative approaches to capitalize on the merits of both approaches.

3.2 Research Design

This research project employed a convergent research design. The purpose of the convergent design is “to obtain different but complementary data on the same topic” (Morse, 1991, p. 122) to best understand the research problem. The intent in using this design is to bring together the differing strengths and non-overlapping weaknesses of quantitative methods (large sample size, trends, generalization) with those of qualitative methods (small sample, details, in depth) (Patton, 1990).

3.3 Target population and sampling frame

The study population and site was as follows; the population of this study comprised of business accelerators and MSMEs that received support from the accelerator programs during the period of 2019 to 2020.

The sample frame consisted of business accelerator programs in Lusaka namely; the Zambia Development Agency, Prospero, Bongo Hive, Women Entrepreneurship Academy, Growth Africa, AMSCO and Accelerated Growth for Micro, Small and Medium-Sized Enterprises in Zambia (AGS). MSMEs that applied and were selected to participate in various curriculum/classes/cohorts at the aforementioned accelerator firms were selected to participate in the research.

3.4 The Sample Size

It is advised that an ideal sample size (n) be chosen to represent the population under study to arrive at an adequate sample size in any empirical research study, Panton (2000). As recommended, this study will allow for a sampling error of 0.05. Notably, a predetermined target population (N) of 50 MSMEs will be selected in the database at accelerators in Lusaka. Likewise, the population (N) of 5 accelerators will included in the study. The sample size will be calculated using Yamane's (1973) sample size calculation, resulting in a sample size of 50 participants for MSMEs and 5 for accelerators (10 MSMEs from each accelerator's database). The sample size calculation approach used in this study is based on the SRS formula given;

$$n = \frac{N}{1 + Ne^2}$$

Therefore, from the formula above, the sample size for the accelerator firms in Lusaka will be calculated as;

$$n = \frac{5}{1+5(0.05)^2}$$

$$n= 4.987$$

Therefore, **n= 5.00**

And

The sample size for MSMEs at the accelerators will be calculated as;

$$n = \frac{50}{1 + 50(0.05)^2}$$

$$n = 47.01$$

Therefore, **n=50**

Where;

n=Sample Size

N=Population Size

e= Error of Sampling

Type of the population	Population (P)	Sample (%)	Sample Size (n)
Accelerators	5	100%	5.00
MSMEs	50	100%	50.00

Table 2: Sample size illustration

Source: Author, 2022

3.5 Sampling Techniques

Non-probability sampling techniques were used in this study. The business accelerators were chosen using purposive sampling and were decided on the basis of availability. Respondents (MSMEs) were then randomly sampled from these Business Accelerators. It must be noted that although the accelerators were determined based on judgement (as they were the only Business Accelerators that were available), the selection of ultimate units or respondents was randomised.

3.6 Data Collection Instruments and procedure

As data was collected using both primary and secondary data collection methods, the primary and secondary data collection instruments were employed. The primary data collection instruments involved the use of interviewer administered questionnaire and an interview guide. Likewise, as illustrated in chapter two, the secondary data collection instruments involved the use of online sources such as Google Scholar, EBSCO, JSTOR, the Zambian blogs, cites of the accelerator firms (accelerators), the University of Zambia's catalogue and more.

3.6.1 An Interviewer Administered Semi-Structured Questionnaire

An interviewer-administered questionnaire is one that is completed in the presence of an interviewer (Roopa and Rani, 2012). This type of questionnaire will be used in this study because it allows an interviewer to verbally interpret some or all of the questions to the respondents in a translated local language, allowing for greater interaction and direction where the participants do not understand.

Unlike most interviewer-administered questionnaires, which allow a researcher to fill in the answer sections of the questionnaire with respondent-generated responses on their behalf, respondents in this study will be given the freedom to fill out the questionnaire themselves. This will be done to ensure anonymity and the freedom of privacy. Furthermore, the interviewer-administered questionnaire will be justified for the respondents (the MSMEs owners) because it will allow for less administration time; simpler questioning of larger groups of people; will be more unhurried, allowing for more careful responses; was viewed as more anonymous, resulting in more accurate data on sensitive matters; and printed visual aids will be incorporated.

The questionnaire, on the other hand, was semi-structured, which means it included both open and closed ended questions. On closed-ended questions, respondents were required to select the best possible option/answer provided, whereas on open-ended questions, respondents were required to generate their own answers based on their experience.

3.6.2 The Data Collection Procedures

This research employed both primary and secondary data collection methods. Through primary data collection methods, this research was able to obtain first hand data specifically important to achieve its purpose and objectives. Furthermore, to ensure that the gaps in the literature are bridged, the primary data was compared with the existing literature in the literature review.

3.7 Pilot and Diagnostic Tests

A pilot study, also called a “feasibility” study, is a small-scale preliminary study conducted before any large-scale quantitative research is conducted. It is an initial test or a miniature version of a

larger-scale study or project. Diagnostic aims at doing a pre-assessment that gives the researcher a snapshot of or diagnose knowledge to the expected results.

3.7.1 Normality Test

A normality test is used to determine whether sample data has been drawn from a normally distributed population (within some tolerance). In this study pearson's omnibus normality test was done to determines whether a sample data has been drawn from a normally distributed population. It is generally performed to verify whether the data involved in the research have a normal distribution.

3.7.2 Reliability Test

Reliability refers to how consistently a method measures something (Tromp, 2006). If the same result can be consistently achieved by using the same methods under the same circumstances, the measurement is considered reliable. In this case reliability was assessed with the test-retest method. Test-retest is a method that administers the same instrument to the same sample at two different points in time, perhaps one year intervals. In this case a pilot study was to help the researcher to measure the effectiveness of the research instruments prior to the main data collection.

3.7.3 Validity Test

To ensure validity of instruments, a pilot study was conducted including only one selected accelerator firm in Lusaka Central Business District, and another one including only 5 MSMEs in a particular cluster. In so doing, the draft questionnaire, and interview guide were created first. A pilot test with five questionnaires and one interview guide was conducted to acquire preliminary data for the assessment of validity and reliability. The researcher distributed the research questionnaires to 5 participants at random during the pilot study. The results of the pilot study was used to improve the efficacy of the data collection instruments and to define the techniques that were used in the actual study.

3.8 Data Preparation and Analysis

Data was prepared through the use of primary and secondary approaches and coding of the questionnaires which were answered by the respondents. According to Cooper and Schindler (2014), data analysis method involves the process of synthesizing accumulated data to a manageable size, developing summaries, looking for patterns and applying statistical techniques, and the data analysis instruments are the tools used to conduct the process of data analysis. The qualitative data i.e. data obtained using interview guides and the explanatory scripts in the questionnaire was analyzed using thematic data analysis tools. In that sense, the data obtained using interview guides was transcribed, interpreted and analyzed to generate the required variables which respond to the research questions, and the one obtained using explanatory scripts in the questionnaire were analyzed to generate the verbatim which respond to the research questions. Quantitative data, i.e. data obtained using the closed ended questions in the questionnaire, was analyzed, interpreted and presented using the descriptive statistics of SPSS software (Statistical Package for Social Sciences) to produce frequency tables, distribution tables, pie charts, and bar charts.

3.9 Ethical Considerations

All respondents in the study were treated with respect and were assured that the information they give will be kept confidential and will be used for the purpose of the study. No respondent was forced to take part in the study.

CHAPTER FOUR

PRESENTATION OF FINDINGS

4.0 Introduction

This chapter presents the findings of the research study which was largely quantitative in nature involving the use of Statistical Packages for Social Sciences (SPSS) and Excel for analysis. Among the statistical methods used were frequencies and percentages. The frequencies and percentages of different variables were run, and the corresponding results were obtained.

4.1 Response rate

From among the 5 accelerators, the response rate was 100% as all the five were successfully interviewed.

Response rate (SMEs)	Frequency	Percentage
Returned Questionnaires	38	76
Unreturned Questionnaires	12	24
Total	50	100.0

Table 3: Response rate

Source: field data

As evident from Table 2 above the sample size was 50 MSMEs that have gone through accelerator programs, whereby 38 questionnaires were successfully returned, and considered for data analysis, which translates to a response rate of 76%. This was considered appropriate and good enough for the data analysis to continue to answer the study objectives because the return rate matched the three quarters required threshold. Babbie and Earl (2009) noted that a response rate of 50% is satisfactory enough for data analysis while a response rate of 70% and above is deemed good.

4.2 Demographic characteristics

4.2.1 Gender

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		1	2.6	2.6	2.6
	Female	17	43.6	43.6	46.2
	Male	21	53.8	53.8	100.0
	Total	39	100.0	100.0	

Table 4: Gender

Source: field data

The research findings indicate that there were more male respondents than female ones. The findings of the study indicate that 53.8% of the respondents were male compared to 43.6% of female respondents. Therefore, it can be stated that the study was dominated by male respondents.

4.2.2 Type of enterprise

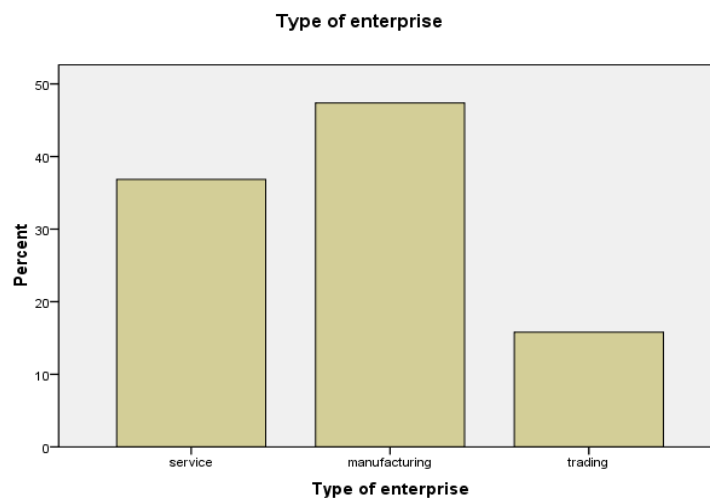


Figure 2: Type of enterprise

Source: field data

According to the findings of the study majority (47.4%) of the respondents indicated that they were into manufacturing business, 36.8% were in service provision while only 15.8% were in trading business. Manufacturing businesses included light engineering such as welding/metal fabrication, ceramics production, agricultural produce, food processing, textile products, leather products, handicrafts, and others. Service business included barbershop, saloon, transportation, restaurants, tourism, business center, micro-finance, health care, laundry, consultation, waste management and education and training among others while Trading involved the selling and buying of industrial and consumable products, and printing, quarrying, buying and selling of agro-products as the notable ones.

4.2.3 Number of employees

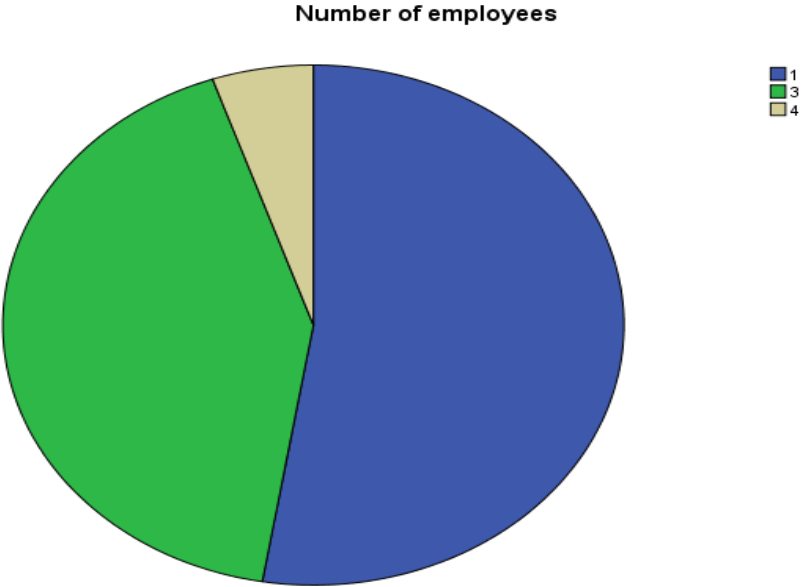


Figure 3: Number of employees

Source: field data

According to the figure above, the research findings indicate that the number of employees for majority of the respondents was 11 to 50 indicating that the majority owned small enterprises. The other business owners indicated other because they owned less than 11 employees and while other

owned none. Therefore, it can be argued that the majority of the respondents in this study were small enterprise owners.

4.2.4 Length of operation

Length of operation					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than five years	28	73.7	73.7	73.7
	6-10 years	7	18.4	18.4	92.1
	11-15 years	2	5.3	5.3	97.4
	over 15 years	1	2.6	2.6	100.0
	Total	38	100.0	100.0	

Table 5: Length of operation

Source: field data

When asked how long they have been running their businesses, majority of the respondents which represented 73.7% of the total respondents indicated that they have been in business for less than five years. This was followed by those who indicated that they were running their businesses for 6 to 10 years (18.4%). The others respondents were running their businesses between 11 to 15 years and over 15 years representing 5.3% and 2.6% respectively.

4.2.5 Legal status

Firm's legal status					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	sole proprietorship	7	18.4	18.4	18.4
	partnership	8	21.1	21.1	39.5
	limited liability company	22	57.9	57.9	97.4
	limited by guarantee	1	2.6	2.6	100.0
	Total	38	100.0	100.0	

Table 6: Legal status

Source: field data

The findings in the table above reveal that majority (57.9%) of the respondents owned limited liability companies, 21.1% owned were in partnership, 18.4% ran sole proprietorship businesses and only a very few (2.6%) ran limited by guarantee companies. This pattern infers that the majority of the business were in the category of small enterprise.

4.2.6 Receipt of support from accelerators

Did you receive support					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	32	84.2	84.2	84.2
	no	6	15.8	15.8	100.0
	Total	38	100.0	100.0	

Table 7: Received support

Source: field data

The respondents when asked whether they received support from the accelerators, majority (84.2%) indicated that they received support while 15.8% denied having received support from the accelerators.

4.2.7 Business accelerator programs which MSMEs participated in

Business accelerator programs you participated in					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		1	2.6	2.6	2.6
	Academy for women Entrepreneurs	1	2.6	2.6	5.3
	Academy for Women Entrepreneurs program	1	2.6	2.6	7.9
	AGS	14	36.8	36.8	44.7
	AWE	2	5.3	5.3	50.0
	BongoHive Discover Program	1	2.6	2.6	52.6
	Business plan preparation and training	1	2.6	2.6	55.3
	Business Training	1	2.6	2.6	57.9
	Emperia consultancy	1	2.6	2.6	60.5
	GrowthAfrica	2	5.3	5.3	65.8
	Improve Your Business	1	2.6	2.6	68.4
	Know Your Business and Improve Your Business	1	2.6	2.6	71.1
	Market connection with DRC	1	2.6	2.6	73.7
	NA	1	2.6	2.6	76.3
	None applicable	1	2.6	2.6	78.9
	Tony Elumelu Foundation	1	2.6	2.6	81.6
	United Nations Development Programme	1	2.6	2.6	84.2
	WEAC	3	7.9	7.9	92.1
	Women Entrepreneurship Academy	1	2.6	2.6	94.7
	Workshops with Zambia Development Agency	1	2.6	2.6	97.4
	ZDA been very helpful in terms trainings	1	2.6	2.6	100.0
Total	38	100.0	100.0		

Table 8: Business accelerator programs participated in

Source: field data

The table above reveals that MSMEs participated in a range of accelerator programs. Some of these programs included academy for women entrepreneurs, Agriculture programs, BongoHive Discover Program, Business plan preparation and training, Emperia consultancy, Know Your Business and Improve Your Business, Market connection with DRC, Tony Elumelu Foundation

United Nations Development Programme, Women Entrepreneurship Academy and Workshops with Zambia Development Agency among others.

4.3 Support which accelerators provide to MSMEs in Zambia

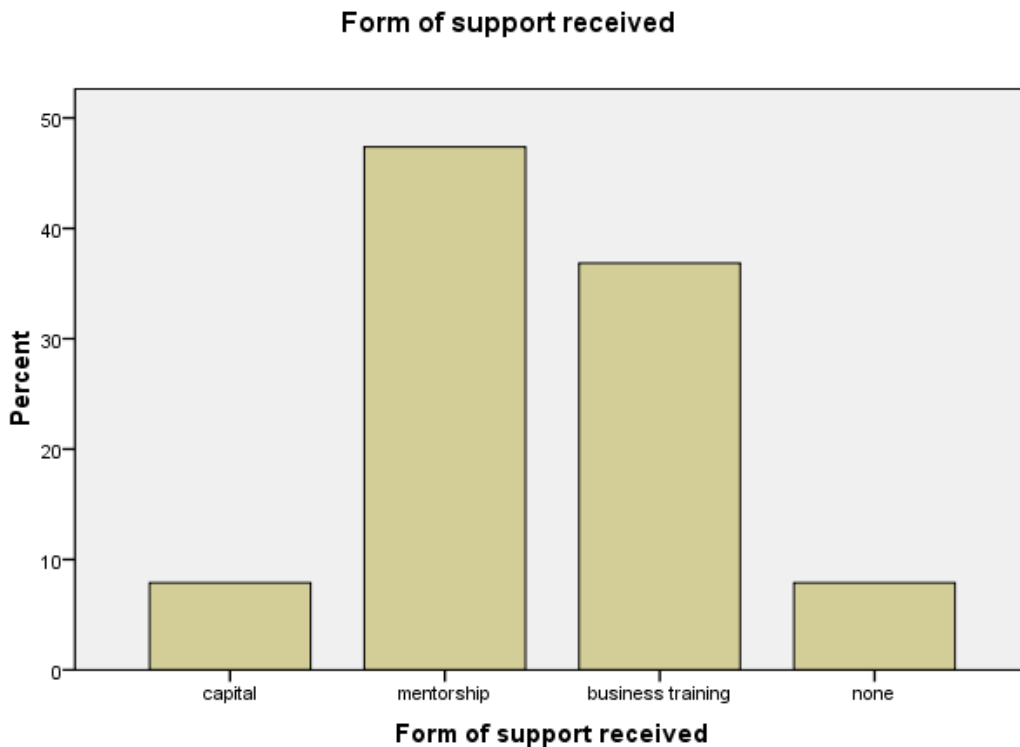


Figure 4: Support from accelerators

Source: field data

The findings of the study revealed that business accelerators provide support to MSMEs in form of capital, mentorship and business training. This is because the findings indicate that the majority (47.4%) of entrepreneurs received mentorship support, 36.8% received business training, and 7.9% received capital while the other 7.9% claimed to have not received any form of support from the accelerators.

4.3.1 Type of support entrepreneurs found most beneficial

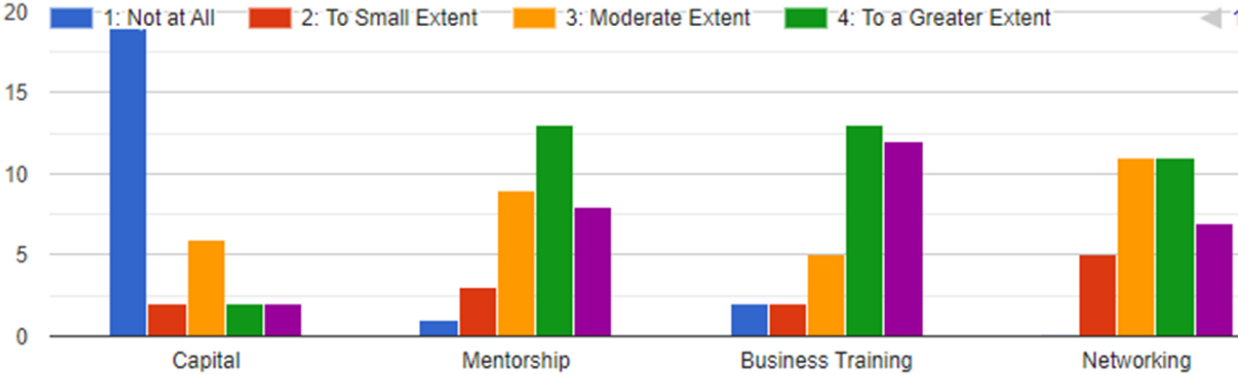


Figure 5: Type of support entrepreneurs found most beneficial

Source: field data

The majority of respondents (36.2%) indicated that business training was most valuable, while some (28.4%) indicated mentorship, (26.2%) indicated networking and 9.2% capital.

4.3.2 Form of capital received after completion of the program

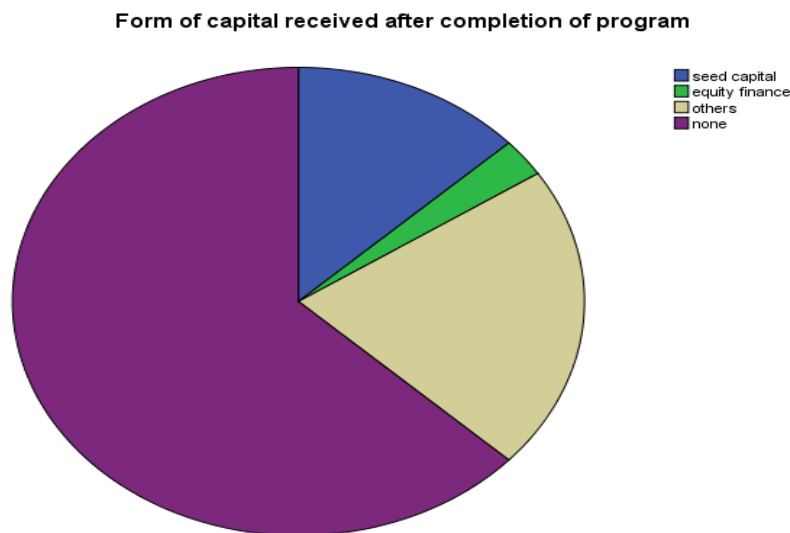


Figure 6: Form of capital

Source: field data

The majority of respondents (63.2%) indicated that they did not receive any form of capital after having participated in the accelerator programs, while some (13.2%) received seed capital, 2.6% received equity finance and 21.1% received other forms of capital such as facility grants.

4.4 Type of funding entrepreneurs were able to access after having participated in accelerator programs

Form of funding received after completion of program					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	bank loans	1	2.6	2.6	2.6
	angel investor	2	5.3	5.3	7.9
	others	4	10.5	10.5	18.4
	none	31	81.6	81.6	100.0
	Total	38	100.0	100.0	

Table 9: Funding received after completion of business accelerator programs

Sources: field data

The study findings revealed that majority (81.6%) of the SMEs were offered no funding after completion of the program, 5.6% received angel investor funds of above K50 000 but not more than K100 000, 2.6% received bank loans of less K50 000 while 10.5% received other forms of funding such as commodity grants, grants for productive asset and market access among others.

4.4.1 Amount received from funding sources

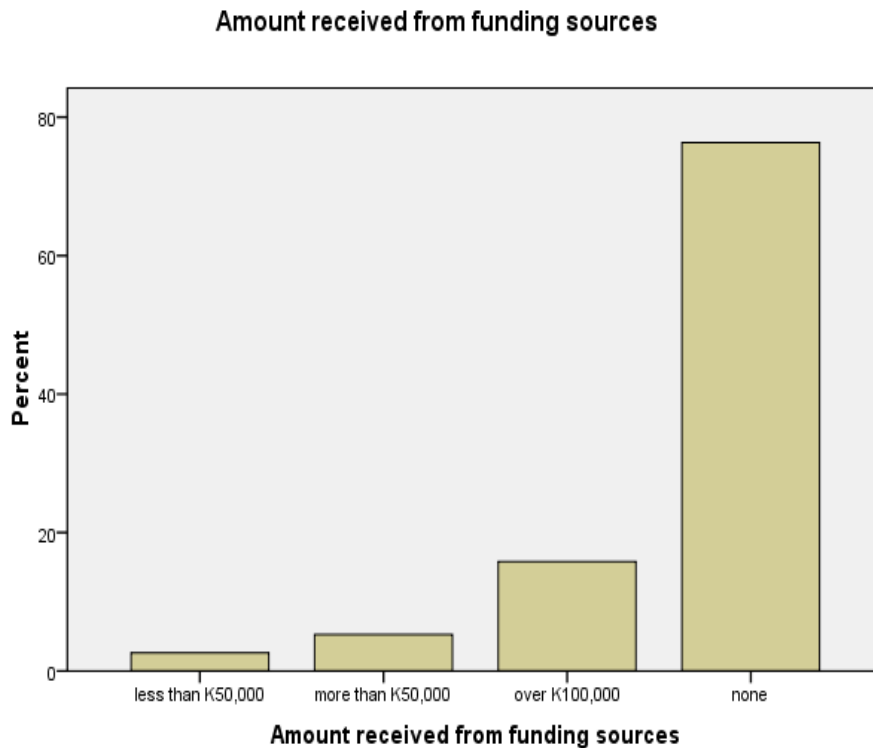


Figure 7: Amount received

Source: field data

Respondents were asked to indicate how much funding they received after completion of the accelerator programs. The findings in the figure above show that while 15.8% received over K100, 000, 5.3% received above K50, 000 but less than K100, 000 and 2.6% received less than K50, 000. The study indicated that majority 76.3% did not have access to funds after completion of their programs.

Some responses from the business accelerators on type of support offered

AMSCO

“We specialize in mainly human capital development, we do project management and we are a consulting firm. So we branch out of the United Nations Development Program and what was called the ATMS, its Africa Training Management Services, which was established by the UNDP to look at transforming Africa and the way African enterprises are usually run. So it was about knowledge transfer and filling up the knowledge gap that was there. Looking back 33 years ago, there was a gap in terms of knowledge and information exchange”.

GROWTH AFRICA

“So what we have is a program, we run a three month long program. And so this three month long program is divided into different components. It's a mix of boot camps and workshops. So what this does is that in the first month or so, the program centers on doing an audit of the position of the business”.

PROSPERO

“So, I mean we've rebranded. We started as a program, we're called Private Enterprise Program Zambia, or PEPSI. And then in 2019, we rebranded and changed the name to Prospero. So, in our work, mostly we focus on addressing market system and value chain issues. We work in four key areas; food and agriculture, Tourism. Manufacturing and investments.

ACCELERATED GROWTH FOR MICRO, SMALL, AND MEDIUM SIZED ENTERPRISES IN ZAMBIA (AGS)

“Accelerated Growth for Micro, Small and Medium-Sized Enterprises in Zambia (AGS) Programme aims to accelerate the growth and competitiveness of Micro, Small and Medium sized Enterprises (MSMEs) and start-ups in Zambia by improving business skills. It is funded by the Ministry for Foreign Affairs of Finland and implemented in partnership with the Ministry for Small

and Medium Enterprise Development (MSMED) of Zambia. As, AGS we want to play our part in building MSMEs that contribute to the creation of jobs, well-being and inclusivity in the Zambian economy. Furthermore, AGS aims to strengthen and create long-lasting business partnerships between Zambia and Finland. We support co-creation activities and access to markets locally, regionally and internationally.

Furthermore, AGS works with key Government agencies to improve the Zambian business environment and to encourage foreign investors into the country. This support spans from MSME policy development to capacitating business development hubs and service providers. Our key partners in this work include the Ministry for Small and Medium Enterprise Development, Zambia Development Agency, National Technology Business Centre, and Business Development Service Providers Association Zambia.

We support entrepreneurs in six sectors; Agribusiness, Forestry, Renewable Energy, Circular Economy, Mining Services, (ICT and Education as cross-cutting sectors).”

4.5 Impact of accelerator support on the growth of MSMEs

Did the funds received affect the growth of the business positively					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	12	31.6	31.6	31.6
	agree	16	42.1	42.1	73.7
	neutral	4	10.5	10.5	84.2
	disagree	1	2.6	2.6	86.8
	strongly disagree	5	13.2	13.2	100.0
	Total	38	100.0	100.0	

Table 10: Impact of accelerator programs - finance received

Source: field data

The majority of the respondents (42.1%) agreed that the funds received after the training program positively affected the growth the business of those who received the funds. 31.6% strongly agreed, 13.2% strongly disagreed, 10.5% remained neutral over the matter while 2.6% disagreed. It can be noted that others disagreed maybe because they didn't receive any form of funding.

Year	Year 2020		Year 2021	
	F	%	F	%
Amount (ZMK)				
Less than 1,000,000	28	73.7	17	44.7
1- 2 Million	9	23.7	18	47.4
Above 3 Million	1	2.6	3	7.9
Total	38	100.0	38	100.0

Table 11: Annual turnover

Source: field data

According to the figure above, there were 28 MSMEs in 2019 who had an annual turnover of less K1, 000, 000 and 9 who had above the same figure. However, in 2020 there were 17 who has less that K1, 000, 000 as annual turnover while those who had more K1, 000, 000 increased from 9 to 18. Therefore, it can be deduced that these findings indicate that the accelerator programs have played a significant role in the growth of MSMEs and the consequent increase in annual sales leading to many entrepreneurs having above K1, 000, 000 in turnover sale in the year 2020.

4.5.1 Impact of mentorship on growth of MSMEs

Did the mentorship received positively affect the growth of the business					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	14	36.8	36.8	36.8
	agree	9	23.7	23.7	60.5
	neutral	7	18.4	18.4	78.9
	disagree	4	10.5	10.5	89.5
	strongly disagree	4	10.5	10.5	100.0
	Total	38	100.0	100.0	

Table 12: Impact of mentorship on MSME growth

Source: field data

The study findings indicated that 36.8% strongly agreed that mentorship and training programs positively affected the growth the business, 23.7% agreed, 18.4% remained neutral, 10.5% disagreed while the other 10.5% also strongly disagreed.

4.5.2 Impact of training on growth of MSMEs

Did the training received positively affect the growth of the business					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	14	36.8	36.8	36.8
	agree	9	23.7	23.7	60.5
	neutral	7	18.4	18.4	78.9
	disagree	4	10.5	10.5	89.5
	strongly disagree	4	10.5	10.5	100.0
	Total	38	100.0	100.0	

Table 13: Impact of training on MSME growth

Source: field data

The study findings indicated that 36.8% strongly agreed that training programs positively affected the growth the business, 23.7% agreed, 18.4% remained neutral, 10.5% disagreed while the other 10.5% also strongly disagreed.

4.5.3 Form of training received during program

What is the form of training received during the program					
		Frequenc y	Percent	Valid Percent	Cumulative Percent
	All the above	8	21.1	21.1	21.1
	Business management/develop ment	15	39.5	39.5	60.5
	Financial/Capital management	2	5.3	5.3	65.8
	Marketing/branding	5	13.2	13.2	78.9
	Records Keeping	4	10.5	10.5	89.5
	Strategic management	4	10.5	10.5	100.0
	Total	38	100.0	100.0	

Table 14: Form of training received

Source: field data

The training sessions covered a wide array of topics, ranging from business management, to financial/capital management, marketing/branding, record keeping and strategic management.

4.5.4 Impact of accelerator programs on MSME growth - responses from the business accelerators

Would you say MSMEs were able to grow from one particular growth level to another after the implementation of such programs?

AMSCO

“Yes, they were able, they've grown. I think we've seen that from the way some of them have been doing business. So we noticed that the entrepreneurs started putting their books in order. The record keeping improved and they started focusing on the finances now that they understand what is going on. So some of them, their minds opened up to what a profit and loss statement is and then some of them have had to do value addition, especially those in the agribusiness. Okay. I'll give you an example of, it's called Makumbiro, S.I. Makumbiro Farms, and then Pongwood Farm. So they keep pigs, but then the largest part of the pigs they would supply to Master Pork, and Master Pork was booked for five months. Poundwood and Makumbiro, one in Tiong'o, one in Sakawesi, they are now producing sausages. One of them is actually now smoking her own sausages. So these ones that were on a farm have, like Poundwood have opened a butchery. So they grow from their own farm and then they take to the wholesale. They still wholesale, but then they also retail. So they sell the pigs as is and they also process that. And then, so having said that, they've both actually opened a butchery one is located in Tokyo Avenue. That's good, good progress.”

GROWTH AFRICA

“From last year's performance and the other, I know two for sure have. They've really given themselves a face-beat in the business. They've changed a lot of processes and stuff using some of the information that we worked with. So some of the things we track are the number of employees and the revenue and there has been a notable change in these metrics.”

PROSPERO

“Yes, yeah. They have. We've got quite good examples of successful companies who funded. Like literally started with them when they were at a very low operational size to a stage where they are selling their products in supermarkets and they're exporting their products.

Oh yeah, I'll give you an example. There's a company called Uchiwami. They sell honey. So this guy came to us and he was producing a few jars of honey and putting them in the malls. I think he was making like 10,000 a month or something. He came to us asking for a grant and he wanted to go and buy timber and make beehives and give them to people to keep honey for him. We gave him

money. He ended up having from like 14 beekeepers to like 100 and something. The following year, he started with Choppies. So if you go to Choppies, they've got the Choppies branded honey. It comes from him. Later he came back to us, this time not asking for a grant but a loan. It was 2 million Kwacha or something. We gave him a loan and he just upscaled more beekeepers and moved his office from Mwinilunga to Lusaka. And now Choppies has not only given him a contract to put honey in Zambia but all the Choppies stores in Botswana. So he's now exporting his honey. From making 10,000 Kwacha a month, I think now he makes over 2 million Kwacha a month. Wow. It's an amazing story. Just one example of companies that are growing.”

“There's an agriculture company called Shais. Again, this lady is really good at what she does. She came to us trying to enroll more farmers and buy equipment for processing. We bought her equipment from India and she's on-boarded more farmers. She does millet and cassava mills and things like that and processes them. This equipment starts from cleaning the grain, milling it and packaging it on one machine. So Prospero bought that. Now if you go in almost all supermarkets you'll find her products. Cassava, millet and things. It's there. World Food Programme is buying from her. She's feeding schools and things like that. So it's endless success stories. Sometimes you go in a shop and you look at the product. At a product and you know this was a result. I helped you do this.”

HIVE

We also have Likota, who's into furniture. So Likota went through a series of women in tech. You can see she seems to be doing really well. So she went through two programs women in tech and the Discover program. Another example is Perfect Stitch went through the Launch program. You also have Z-P-O-S, so these are in tech. They are a point of Sale Company. You have Dawa Health. These are into maternal health checkups. Then in the health sector you have.

ZDA

“So, we can say employment was generated. Also a definite increase in sales and in profits. According to my report as of September last month, we have assisted so far 3,092 MSMEs. 3,092 MSMEs have benefited from our services at the division. And as a result of that, we've also recorded employment of about 4,977. “Also the financial linkages that we did for the ICP, MSMEs

accessed.. So, 12 of them accessed about 6.5 million. And our 50 MSMEs that we took that side, who we can't disclose the order, they got TINCO.”

4.6 Correlation Analysis

		Correlations					
			M	T	C	N	G
Pearson's	M	Pearson Correlation	1	-.278	.296	.066	-.139
		Sig. (2-tailed)		.091	.071	.692	.405
		N	38	38	38	38	38
	T	Pearson Correlation	-.278	1	-.033	-.281	.365*
		Sig. (2-tailed)	.091		.846	.088	.024
		N	38	38	38	38	38
	C	Pearson Correlation	.296	-.033	1	-.019	-.265
		Sig. (2-tailed)	.071	.846		.909	.108
		N	38	38	38	38	38
	N	Pearson Correlation	.066	-.281	-.019	1	-.105
		Sig. (2-tailed)	.692	.088	.909		.530
		N	38	38	38	38	38
		*. Correlation is significant at the 0.05 level (2-tailed).					

Table 15: Correlation analysis

Source: field data

The correlation results above provide information that explains the relationship between the predictors (capital, mentorship, training, and networking) and growth of businesses, and whether the relationship is statistically significant. From the results, the study shows training has a positive and statistically significant relationship with growth of businesses as shown by (0.365).

Mentorship, capital and networking all have weak relationships with business growth (-0.139, -0.265, and -0.105 respectively). This therefore implies that all the four accelerator interventions offered to MSME's have a relation with business growth but only training has a significant and positive relation while mentorship, capital and networking all have weak relationships to MSMEs growth.

Therefore, the researcher rejects the alternative hypothesis and accepts the null hypothesis because 75% of the variables have a weak relation with growth of business.

4.7 Challenges

The business accelerators were asked to elaborate the challenges they face during the implementation of the programs. The following are some of the challenges;

AMSCO

“Challenge number one, I think with the participants, the SMEs, sometimes they will be competing for attention with their businesses. So most of these run their businesses themselves. So sometimes you find someone who misses two hours of training, then they come and say, they start, they come in the middle of the training, when they've missed quite some information. Sometimes they'll send in someone who doesn't really understand what they're talking about because some of these things you get to have a full picture of what's going on, but yeah. Yes, so most of the times everyone was competing for the time, their time, because they were like working and also focusing on the training, the project, the working. So that's challenge number one”.

GROWTH AFRICA

“So the challenge is that first and foremost, it's very difficult to know where to get entrepreneurs who can participate in such programs. Organizations are not willing to share information. So if I go to this organization and say, look, I'm running this program, can you give me a database? It's not something that someone is going to do. And most people don't want to share. So it's up to you to go out there and hope as you do networking. And so that's why I'm always in these functions, push women etc. Just trying to market the program and see if people can come on board”.

PROSPERO

“There's so many challenges that come in, so, you know, either compliance issues, they're not registered with ZRA. Yeah. Some of them are not even with PACRA. They don't have a job. So, you know, there's a lot of challenges. They don't have all the bank paperwork in place. So, that's one of the challenges. Just like, you know, being compliant and ready for support. Most companies wouldn't have that. We work with SMEs. So, they have to be formal. Like registered, they pay their taxes and things like that. During implementation, I think one of the challenges we face is on...”

HIVE

“In terms of challenges. Depending on the program, you find you have some dropouts or some people who are not serious. So usually most of these programs come late in a pitch day, where we pitch their innovations or ideas, and then you want a good number of at least 10 people pitching. So to get that number, you probably have an extra, maybe 12 people going through the program, and can allow us for maybe some of them to drop out. Especially as most programs, all these programs, are not going to do this question. I'm really so finding that commitment is not so much. Okay, so like I've told you already, because some of them, a good chunk of them are free, the commitment is not there. That is one. So you find people drop out. Then the other is that, how do I put it?”

ZDA

“Okay. So, implementing of such kind of programs calls for a good number of tangible partnerships as well as resources. Not just financial resources, but also even human resources. You could imagine that just for the past year, the workforce under this division has only been a maximum of 14 people. 14 people responsible for the entire country. And this has been because of the funding issues. We have been unable to employ more people to do the extension. And those partners came on board. Exactly. So, that has been a very, very big challenge”.

4.8 Proposed measures

According to the study findings the following are the proposed measures aimed at enhancing accelerators' support towards the growth of MSMEs.

- i. Mobilize cheaper capital and link MSMEs to markets make the programs more known to the business community
- ii. Make finance available
- iii. Government should consider subsidizing MSMEs in inclusive business and support out grower operations
- iv. There is need to think of buying more land for farmers and give startup capital in form of cash to buy more materials
- v. Provide seed capital
- vi. There is need for MSMEs to engage in processing or value addition. It seems to address the market constraints
- vii. Provision of Grants or funding to help the business growth.
- viii. On the part of government and business accelerators must ensure that while knowledge is imparted must as well address the challenge of inadequate equipment, machinery and working capital. On the part of MSMES must usually utilize the acquired knowledge and machinery to full scale to yield the expected results.
- ix. Requirements for startups to acquire funding should not be too complicated
- x. Before developing programs time should be taken to understand the needs of ZAMBIAN businesses and the ecosystem. There is a danger of a cookie cutter approach to accelerators
- xi. Increase access to finance
- xii. Similar MSMEs to create cohort, and reduce payment of compliance
- xiii. Facilitate for investors or funders for projects that have potential to alleviate major concerns or existing problems.
- xiv. The government should make an offer to give financial capital to all accelerator graduates
- xv. Develop policies to make running an MSME cheaper like lower taxes for MSMEs less than 5 years
- xvi. Government to lessen number of requirements for business startups when accessing finances.
- xvii. Engage more on the practical experience for MSMEs
- xviii. It would be important to priorities assistance in ensuring each entrepreneur gets starter funding support.

- xix. Have programs designed to accommodate people that work full time because time is a serious constraint to helping us fully participate during the programs and gain the benefit intended
- xx. Employ more activities to stimulate business growth, provide adequate education and guidance provide access to finance from government

The accelerators were asked on recommendations for successful implementation of the programs. The following are some of the recommendations;

i *Okay, so I think the advice to the government would be, even as you accelerate them, you still need to give them time to grow, but there's a lot of hand-holding that's needed. So the government can come in and find other stakeholders, maybe the government departments themselves or engage other business development service providers that can hand-hold them and conduct a lot of monitoring and evaluation. Because mostly SMEs are trained and they're sent out, but then no one goes out to see how the industry impacts. So that maybe the government can come in in terms of assisting that stakeholder. They have a lot of people who have done SMEs, so you find a new SME in agriculture, you find an expert. So they can use that resource to ensure that the government is involved in each and every project. So for the government to gain as much information and also to create jobs, they need to go back to SMEs and say, how many jobs have you created?*

ii *How can the government come in? Government doesn't always allow to give you money. The government is creating the environment by saying, we're going to answer, we're going to help you. We can talk to them to do some things for you. If government comes to us, we might not just say, don't give us a lot of SMEs to work with because it might be a lot of resources. Instead of us working the 20, maybe give us five. So the government can come in using their influence to sort of accelerate these SMEs and thereby creating jobs.*

iii *What I've seen with a lot of entrepreneurs, and maybe this is going way off your questionnaire, but accelerator programs that kind of assure money at the end of it will*

create a dependency on businesses. There are certain businesses that just move from one accelerator to the next, just looking for money. It just becomes a fundraising venture. So instead of looking for the knowledge of how they can grow their business, they're just looking for money. And if you check, most of those, they haven't even grown as they said they were supposed to grow.

iv *Mindset change, I don't know if government can do anything to change a mindset. Many entrepreneurs have reduced accelerators to fundraising schemes. So I suppose one of the things maybe that government can do is maybe try to, soften conditions when it comes to getting money from financial institutions. If entrepreneurs knew that access to finance would be easy for them, then they can look at accelerator programs as avenues, to support them for growth. But now they look at accelerators as avenues to get cheap money. Because those grant \$30,000, you're not going to get that from the government, from the bank. If you get it from the bank, the interest rate is going to kill your business. So you'll be out of business. So those opportunities don't encourage our entrepreneurs. Because then they just look for the accelerator program that's offering funding. That's it. You can't go to the bank, they won't support you, these programs are not there. And then also if the banks can just maybe make partnerships with accelerator programs, so that even the entrepreneurs can see the banks and see value in terms of what an entrepreneur is doing, before they can get the funding, as opposed to just being, come and get a loan, and then you can't pay it back. Then another thing, maybe we accelerators, need to publicize and document the impact that the accelerator programs have had on other SMEs. Maybe that would also help to create awareness so people can see that other businesses have been through this, and this is what it has done for them. So then the attraction is there. Because I know one of the things I always get asked when I go to pitch to enterprises, they ask me who else participated and how did you support them? If you gave them money, how much? Or if they've grown, how do you know? They've grown, what changed about their business? And when you share with them a business you worked with, then they see it and then it's like, oh, okay, I know that guy, now I'll join. So they don't take your word for it that it's something that you can help them with, but they will take your word for it if you're able to back it up with data. Suppose we want information backed by data. But we need to bring our*

entrepreneurs to a level where they're looking for information and they want to utilize this information. So on our end as accelerators, it would be to just not only market that we've given people money, but that we have helped them grow. So suppose this person was making 100,000 last year, now they're making 200,000 based on the support that we gave them without saying because we gave them a grant of 30,000, now they've grown because the neighborhood is definitely going to come because they want the money.

v *I think probably one of the recommendations I would say is SMEs face different challenges. It's not like one size will fits all solution for everybody. I think most programs that government or other organizations try to implement are like, okay, we are coming up with this project and we are just going to help everybody. But SMEs need more understanding of their businesses. They're all different. It's not like they're all the same. So you need tailored solutions for each SME, which we try to do. I think it could also improve the success of accelerator programs. Because you might give a one-size-fits-all program to say, we'll do this, this and this, and then off you go. Then it might not really address the... I mean, I'll tell you, for example, if you are working with companies that are in agriculture, they are reaching a whole different solution. Agriculture is a whole different industry. There are certain things that might affect them and that you might not see results. A drought, for example. You supply seed or inputs, suddenly it doesn't rain for two, three months. The seed just rots and nothing is achieved. You wouldn't go and say, oh, it's a failure, it's nothing, it doesn't yield results. No. But it's the nature of the sector. It's just that vulnerable. So yeah, you need that tailored solution.*

vi *Finance is one of the major issues for businesses. So capacity building needs to be developed for a lot of businesses. But even in general, if government is giving out loans or funds, people need to go through some level of capacity building, just to know how to utilize the money, to utilize the business ideas, rather than forming a cooperative and then giving funds. But also a lot of them are located in Lusaka. So they need to expand. And government should deliberately support such accelerators in each province. And obviously I think with COVID and online learning, now it's possible, of course, to have support for others,*

vii *I think maybe a database should be created which documents the various accelerator programs that have been running and the SME's that have participated in them. This will give other SME's a chance to participate.*

viii *The private sector and other stakeholders, whether they are donor funded, they are projects, they are tax-free bodies, whatever this institution that they call themselves, need to stop working in isolation. Yes, of course, one of them would actually partner with government to do activities, but there is still isolation. In the sense that, for example, we are involved in MSME development. We are not the only ones that are ensuring that MSME development goes up. It's the AGS guys, that's why we've partnered with them. So, there is need for more coordination with the government to make sure that we are successful. Rather than duplicating the same effort. Because you find that in a particular area, one will go there, do this, the other one will go there, do this, so, those beneficiaries won't actually get the value out of it because some of them, they end up just receiving funding from the meetings and the workshops and everything. They are even using it, and that's their level of income, without determining the impact. But if we had an integrated, coordinated, collaborative system to document how many fund projects are targeting specific areas, any efforts to stimulate MSME's in these areas can be coordinated. Duplication of services can be avoided.*

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.0 Introduction

This chapter is a discussion of the findings presented in the previous chapter. The discussion is done in line with the themes generated during the presentation of findings and also merging what could be similar themes of one key issue.

5.1 Demographic information

The study findings indicate that there more male respondents than female ones. The 76% response rate was okay for the study to be carried out because Babbie and Earl (2009) argue that a response rate of 50% is satisfactory enough for data analysis while a response rate of 70% and above is deemed good. According to the findings of the study, majority of the respondents indicated that they were into manufacturing business, service provision and a few were in trading business. The research findings also indicate that the number of employees for majority of the respondents was 11 to 50 indicating that the majority owned small enterprises. Majority of the respondents which represented 73.7% of the total respondent indicated that they have been in business for less than five years.

5.2 Support which accelerators provide to MSMEs in Zambia

Capital, mentorship, business training and networking were found to be the main support programs offered by the accelerators.

The findings show that some of the respondents (beneficiaries) had received seed capital both (refundable and non- refundable grants) from the accelerators. This capital helped to improve the operations of their business through technology and machinery acquisition. It also helped them to set up and expand their businesses, develop new products and services and improve the sustainability of their businesses. As revealed in the study, some of the respondents showed that they had received additional funding after completion of the programs from Angel investors or individual investor(s), bank loans and other sources. However, the study findings indicate that the

majority of respondents (76%), did not receive any funding from the business accelerators and did not obtain any additional funding after the completion of the program.

As established from the findings, the mentorship offered by the business accelerators helped the beneficiaries to gain insights and experience on how to better manage their businesses. The programs also helped them generate new ideas and adopt new business management strategies that improved their operations and generate more profit. These findings are consistent with those of Akila (2014) who revealed that mentorship provides guidance on refinement of the business, provision of networking opportunities as well as building of stakeholders' trust who could become subsequent investors in the business after the conclusion of the program.

The study also established that the training offered by the accelerators was very instrumental in improving the entrepreneur's ability to manage their finances better. The entrepreneurs learned how to develop bankable business plans and gained other business management skills as well. Specific trainings were conducted on topics such as product development, market development, record keeping, basic accounting and being 'investor ready'. These findings are aligned with those of Clarysse et al. (2015) and Cohen and Hochberg (2014) who asserts that training provided through business accelerators covers a wide array of topics and plays a key role in skill acquisition and heightens market interactions.

Lastly the study established that networking enhanced talents and skills of the entrepreneurs (beneficiaries). Majority of the respondents agreed that networking helped to generate new business referrals and helped to increase access to new markets.

5.2 Support which MSME's found most beneficial

The majority of entrepreneurs (36.2%) indicated that business training was the most valuable form of support they received from the accelerator programs. This followed by mentorship (28.4%), then networking (26.2%) and lastly capital (9.2%)

5.3 Relationship between accelerator support and the growth of MSMEs

On the relationship of accelerator programs to MSME growth, the findings show that mentorship, business training and networking somehow have a positive relationship to business growth.

Notably, according to the study findings, training has a positive and significant relationship to business growth. The correlation reveals that mentorship, capital and networking all have a weak relationship with business growth. Capital was seen to have the least contribution to growth of the businesses. However, the study established that most enterprises had a progressive growth in terms of the number of employees, the number of customers, sales turnover/ volume and annual profit between 2021 and 2022.

The interviews with the business accelerators revealed that MSMEs have experienced positive growth as evidenced by the success stories mentioned in the previous chapter. Notable among these are Likota, Uchiwami, Perfect Stich and Shais. Several MSMEs experienced increased sales, profits, access to new markets, and had to employ more staff to meet up with increased demand for their products and services. Some of the entrepreneurs requested additional funding to match increased demand for their products whilst others opened additional outlets due to forward-integration strategies that were adopted after the programs.

5.4 Challenges faced by accelerators

The study findings indicate that there are a number of challenges that accelerators face during the implementation of the programs. These range from financial and manpower constraints, to unwillingness and lack of commitment by MSMEs to fully participate in all aspects of the programs. Other implementation challenges include wrong focus of entrepreneurs, those that focus solely on the financial reward that could be gained at the end of the program tend to benefit less from the main aspects of the accelerator programs. Other challenges include formalization issues, it is a requirement that enterprises are properly registered to apply for funding.

5.5 Proposed measures

The proposed measures that could enhance the business accelerators' support towards MSMEs include, mobilizing cheaper capital and engaging the government to come on board to provide financial support for all participants to the programs. The respondents also suggested that the Zambian government should consider subsidizing MSMEs in inclusive business and support outgrower operations. Additionally the study indicated that there is need for MSMEs to engage in processing or value addition as this seems to address the market constraints. Lastly, the

government and business accelerators must address the challenge of inadequate equipment, machinery and working capital.

5.8 Chapter summary

The chapter has discussed the findings in chapter four beginning with demographic characteristics of the study population. Thereafter, the support given to MSMEs in Zambia by accelerator programs was discussed, followed by the type of support entrepreneurs found most valuable. The relationship of accelerator interventions to and MSME growth was discussed. Furthermore, the challenges faced by accelerators in implementing accelerator programs was discussed. Lastly the proposed measures for the successful implementation of the programs were highlighted.

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

The study's first objective was to identify the support business accelerators provide to MSMEs in Zambia. The findings from the study confirmed that Capital, mentorship, business training and networking were the main support programs offered by the accelerators to MSMEs.

The second objective was to determine the type of support offered by accelerators that added the most value to participating startups. The study determined that training programs added the most value to participating MSMEs. The training programs helped the respondents acquire knowledge and skills, become more innovative, improved overall management of their enterprises and enhanced their capacity to get loans from financial institutions and other sources.

Lastly, the third objective sought to determine the relationship between accelerator programs and MSME growth in Zambia.

The findings show that all the accelerator programs interventions (capital funding, mentorship, business training and networking) somehow have a positive relationship to business growth. Notably, according to the study findings, training has a positive and significant relationship to business growth. The correlation reveals that mentorship, capital and networking all have a weak relationship with business growth. However, the study established that most enterprises had a progressive growth in terms of the number of employees, the number of customers, sales turnover/ volume and annual profit between 2020 and 2021. Overall, it can be deduced that increased training through the accelerator programs would significantly increase the growth of businesses.

6.2 Recommendations

The following are the recommendations arising from the study:

Mentorship after the program, should be enhanced through collaborations with learning institutions, development agencies, and financial institutions and through the Government. Successful entrepreneurs who have gone through the program can also be used as mentors to new

entrepreneurs. Entrepreneurs need guidance, or hand holding to ensure that what was learned is successfully implemented. It would also make it easier to conduct monitoring and evaluation. Because mostly MSMEs are trained and they're sent out, but then no one goes out to see how the industry impacts.

The accelerators should emphasize other non-financial benefits of the program during advertisements and engagements with the entrepreneurs. Accelerator programs have a tendency to assure money at the end of the program which creates a dependency syndrome. There are certain businesses that just move from one accelerator to the next, just looking for money. It just becomes a fundraising venture. So instead of looking for the knowledge of how they can grow their business, they're just looking for money. And if you check, most of those, they haven't even grown as they said they were supposed to grow.

Entrepreneurs need to have a mindset change. They have reduced accelerators to fundraising schemes. So perhaps one of the things maybe that government can do is maybe try to, soften conditions when it comes to getting money from financial institutions. If entrepreneurs knew that access to finance would be easy for them, then they can look at accelerator programs as avenues, to support them for growth, not as an avenues to get cheap money.

It would be beneficial for a database to be created which documents the various accelerator programs that have been running and the MSMEs that have participated in them. This will give other MSMEs a chance to participate. There is a tendency for the same entrepreneurs to participate in the programs and because they know the structure of the programs, their participation in is minimal and their main focus is on the opportunity to access funding.

There is also need to conduct a study focusing on other aspects of accelerator programs to show whether they differ on how they impact business success.

The study solely relied on primary data, alternative studies can be done using secondary sources for different accelerator programs which could either support or contradict the current study

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APPENDICES

Appendix: A: Letter of Introduction to Business Accelerators

HSSREC FORM 1B
THE UNIVERSITY OF ZAMBIA
DIRECTORATE OF RESEARCH AND GRADUATE STUDIES
HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE

Telephone: +260-211-290258/353080
P O Box 32379
Fax: +260-211-290258/293937
Lusaka, Zambia
E-mail: director.drugs@unza.zm

PARTICIPANT INFORMATION SHEET

Informed Consent Form for Business Accelerators, Applicants and Participants to their programs who we are inviting to participate in a study titled “ AN ASSESSMENT OF THE INFLUENCE OF ACCELERATOR PROGRAMS TO THE GROWTH OF THE VENTURES THEY SUPPORT: A CASE STUDY OF MSMEs AND ACCELERATOR FIRMS IN LUSAKA

[Name of Principle Investigator]
Chembo Mwape
[Name of Organization]
The University of Zambia – Graduate School of Business
[Name of Sponsor]
self

This Informed Consent Form has two parts:

- Information Sheet (to share information about the study with you)
- Certificate of Consent (for signatures if you choose to participate)

You will be given a copy of the full Informed Consent Form

Part I: Information Sheet

Introduction

My name is Chembo Mwape. I am postgraduate student at the University of Zambia under the Graduate School of Business and pursuing an MBA in Management Strategy. You are invited to participate in a study entitled “THE INFLUENCE OF THE ACCELERATOR PROGRAMS TO

THE GROWTH OF SMALL TO THE VENTURES THEY SUPPORT, A CASE STUDY OF SMES AND BUSINESS ACCELERATORS IN LUSAKA”. You have been selected as a potential participant to this study because your business has been identified as an SME and is affiliated to one of the business accelerators in Zambia. I am going to give you information and invite you to be part of this research. You do not have to decide today whether or not you will participate in the research. Before you decide, you can talk to anyone you feel comfortable with about the research.

This consent form may contain words that you do not understand. Please ask me to stop as we go through the information and I will take time to explain. If you have questions later, you can ask them of me or of another researcher.

Purpose of the research

The Government of Zambia with the help of local and international stakeholders has created and supported the implementation of various business accelerator programs through various governmental and non-governmental firms such as ZDA, Prospero, WEAC Zambia, Bongo Hive and more whose aim is to promote the growth of businesses that are in micro, small and medium stages across the country. These organizations have created and implemented various programs with a zeal to train, mentor, fund, and provide a wide array of networking opportunities to entrepreneurs. The purpose of this study is to investigate the influence of accelerator programs to the growth of small to medium sized enterprises in Zambia, a case study of SMES, and business accelerators in Lusaka. The data collected in the following questionnaire will be included in a post graduate thesis and will potentially contribute to the growth and strategic enhancement of MSMEs in Zambia.

Type of Research Intervention

This research will involve your participation in a guided interview or a questionnaire that will take about 20 minutes to complete, and a one hour interview.

Participant Selection

You are being invited to take part in this research because your business has been identified as a business accelerator or an SME affiliated to a business accelerator in Zambia. We feel that your experience can contribute much to our understanding and knowledge of business accelerators and their impact on SME growth in Zambia.

Voluntary Participation

Your participation in this research is entirely voluntary. It is your choice whether to participate or not. If you choose not to participate all the services you receive at this Centre will continue and nothing will change.

The choice that you make will have no bearing on your job or on any work-related evaluations, reports or your business. You may change your mind later and stop participating even if you agreed earlier.

Procedures

We are asking you to help us learn more about business accelerators In the Zambian context and we are inviting you to take part in this research project. If you accept, you will be asked to respond to a guided interview or fill out a questionnaire.

(for interviews) participate in an interview with myself.

During the interview, I or another interviewer will sit down with you in a comfortable place. If you do not wish to answer any of the questions during the interview, you may say so and the interviewer will move on to the next question. No one else but the interviewer will be present unless you would like someone else to be there. The information recorded is confidential, and no one else except myself will access to the information documented during your interview. The entire interview will be tape-recorded, but no-one will be identified by name on the tape. The information recorded is confidential, and no one else except myself will have access to the tapes. The tapes will be destroyed after _8_weeks.

(for questionnaire surveys) You may answer the questionnaire yourself, or it can be read to you and you can say out loud the answer you want me to write down.

If you do not wish to answer any of the questions included in the survey, you may skip them and move on to the next question. The survey will be distributed electronically. The information recorded is confidential, your name is not being included on the forms, only a number will identify you, and no one else will have access to your survey.

Duration

The research takes place over 1 month in total. During that time, we will visit you three times for interviewing you at one month interval and each interview will last for about one hour each.

Uses of information

The information we shall get from you will be used help making decisions by the district local authority in your area and other stakeholders on how best accelerator programs cab be use to stimulate growth in the SME sector.

Risks

"There is a risk that you may share some personal or confidential information by chance, or that you may feel uncomfortable talking about some of the topics. However, we do not wish for this to happen. You do not have to answer any question or take part in the discussion/interview/survey if you feel the question(s) are too personal or if talking about them makes you uncomfortable.

Benefits

There will be no direct benefit to you, but your participation is likely to help us find out more about the viability of stimulating the SME sector through business accelerator programs.

Reimbursements

You will not be provided any incentive to take part in the research.

Confidentiality

We will not be sharing information about you to anyone outside of the research team. The information that we collect from this research project will be kept private. Any information about you will have a number on it instead of your name. Only the researchers will know what your number is and we will lock that information up with a lock and key. It will not be shared with or given to anyone such as research sponsors.

Sharing the Results

Nothing that you tell us today will be shared with anybody outside the research team, and nothing will be attributed to you by name. The knowledge that we get from this research will be shared with you before it is made widely available to the public. Each participant will receive a summary of the results.

Right to Refuse or Withdraw

You do not have to take part in this research if you do not wish to do so, and choosing to participate will not affect your job or job-related evaluations in any way. You may stop participating in the interview at any time that you wish without your job being affected. I will give you an opportunity at the end of the interview to review your remarks, and you can ask to modify or remove portions of those, if you do not agree with my notes or if I did not understand you correctly.

Who to Contact

If you have any questions, you can ask them now or later. If you wish to ask questions later, you may contact any of the following:

Name; Chembo Mwape

Address; Plot No. 11336/M/B La Dolce Vita, New Kasama, Lusaka, Zambia Telephone number; 0977906652

E-mail; mwape.chembo@gmail.com

This proposal or protocol has been reviewed and approved by HSSREC which is a committee whose task it is to make sure that research participants are protected from harm. If you wish to find out more about the IRB, contact:

Chairperson, Humanities and Social Sciences, Research Ethics Committee,
University of Zambia
P O Box 32379
LUSAKA

OR

Director, Directorate of Research and Graduate Studies
University of Zambia
P O Box 32379
LUSAKA

"Approval to conduct this research has been provided by the University of Zambia, in accordance with its ethics review and approval procedures. Any person considering participation in this research project, or agreeing to participate, may raise any questions or issues with the researchers at any time.

In addition, if you are/ or any person is not satisfied with the response of researchers may raise ethics issues or concerns, and may make any complaints about this research project by contacting the HSSREC on the address sated above.

All research participants are entitled to retain a copy of any Participant Information Form and/or Participant Consent Form relating to this research project."

Part II: Certificate of Informed Consent

I have been invited to participate in research about business accelerators and their effect on the ventures they support.

(This section is mandatory)

I have read the foregoing information, or it has been read to me. I have had the opportunity to ask questions about it and any questions I have been asked have been answered to my satisfaction. I consent voluntarily to be a participant in this study.

Print Name of Participant _____

Signature of Participant _____

Date _____

Day/month/year

If illiterate

I have witnessed the accurate reading of the consent form to the potential participant, and the individual has had the opportunity to ask questions. I confirm that the individual has given consent freely.

Print name of witness _____ Thumb print of participant
Signature of witness _____
Date _____
Day/month/year

If vulnerable or incapacitated like pregnant women, children, people with mental illness, people with disabilities, prisoners and minority groups for instance, the investigator must ensure that there is a well-educated and motivated surrogate or proxy decision maker. When comprehension is an issue the research plan should include means of testing the participants' understanding of the important information prior to enrollment.

Statement by the researcher/person taking consent

I have accurately read out the information sheet to the potential participant, and to the best of my ability made sure that the participant understands.

I confirm that the participant was given an opportunity to ask questions about the study, and all the questions asked by the participant have been answered correctly and to the best of my ability. I confirm that the individual has not been coerced into giving consent, and the consent has been given freely and voluntarily.

A copy of this ICF has been provided to the participant.

Print Name of Researcher/person taking the consent _____ Chembo Mwape _____

Signature of Researcher /person taking the consent _____

Date _____
Day/month/year

CONTACTS FOR QUESTIONS (Names, addresses and phone numbers of the following):

1. Principal Investigator (Must be a local person and a
Zambian).

Names: Chembo Mwape

Phone: +260978906652

E mail: mwape.chembo@gmail.com

Physical address: Plot No. 11336/M/B La Dolce Vita, New Kasama Lusaka, Zambia

Appendix B: Interview Guide for Business Accelerators

The Questions to be answered

1. How many SMEs did you reach with accelerator initiatives in the period of 2018-2020?
2. What type of the accelerator programs were implemented in the aforementioned period?
3. What challenges did you face when implementing such programs?
4. Out of the targeted SMEs on the programs, how many have succeeded and failed along the way?
5. Would you say SMEs were able to grow from one particular growth level to another after the implementation of such programs?
6. If yes to the question above, what variables, and change in the variables justified such allegation?
7. What advice would you give to government, other accelerators, key stakeholders and SMEs to ensure that the accelerator programs you offer yield substantial fruits on the growth of SMEs and ensure that a larger number of SMEs in Zambia benefit.

Thank You very much for your time, Cooperation and Contributions.

Appendix C: Respondents' Informed Consent Form- Questionnaires

Section A. The Information about the Business

1. How many people are employed by your enterprise? (The business' category)
 - 1] 11-50 employees [Small Enterprise]
 - 2] 51-100 employees [Medium Enterprise]
 - 3] Other Specify.....

2. From the sectors listed below, which best applies for your enterprise?
 - 1] Service [barbershop, saloon, transportation, restaurants, tourism, business center, micro-finance, health care, laundry, consultation, waste management and education and training]
 - 2] Manufacturing [light engineering i.e. welding/metal fabrication, ceramics production, agricultural produce, food processing, textile products, leather products, handicrafts, and others]
 - 3] Trading [selling and buying of industrial and consumable products, and printing, small-scale mining and quarrying, buying and selling of agro-products and more]

3. How long have you been operating your business?
 - 1] Less than five years
 - 2] Between 6 to 10 years
 - 3] Between 11 to 15 years
 - 4] Over 15 years

4. What is the legal status of your firm?
 - 1] Sole proprietorship
 - 2] Partnership
 - 3] Limited Liability Company
 - 4] Limited by Guarantee

5. Did/do you receive any form of support from a business accelerator?

1] Yes

2] No

6. If yes [1], what form of support did you receive? Please select only what applies to you. Use a scale of 1 to 5 where [1: Not at All], [2: To Small Extent], [3: Moderate Extent], [4: To a Greater Extent], [5: To a Very Greater Extent]

(a) Capital

1] Not at All

2] To Small Extent

3] Moderate Extent

4] To a Greater Extent

5] To a Very Greater Extent

(b) Mentorship

1] Not at All

2] To Small Extent

3] Moderate Extent

4] To a Greater Extent

5] To a Very Greater Extent

(c) Business training

1] Not at All

2] To Small Extent

3] Moderate Extent

4] To a Greater Extent

5] To a Very Greater Extent

(d) Networking

- 1] Not at All
- 2] To Small Extent
- 3] Moderate Extent
- 4] To a Greater Extent
- 5] To a Very Greater Extent

(e) If there is any form of support that you received that is not mentioned above, indicate please, and the level of extent

Other Form of intervention [.....]

Level of extent

- 1] Not at All
- 2] To Small Extent
- 3] Moderate Extent
- 4] To a Greater Extent
- 5] To a Very Greater Extent

7. What form of capital did you receive after the completion of the program??

- 1] Debt Capital
- 2] Seed Capital [Non-refundable finance]
- 3] Equity Financing
- 4] Other.....specify

9. Have you ever managed to access any form of funding indicated below, after completion of the accelerator program?

- 1] Bank Loans
- 2] Angel Investors/Investor
- 3] Village banking
- 4] Other.....please specify

10. Would you please indicate how much in total you have received from the above sources of finance after completion of the program ?

- 1] Less than 50, 000 ZMK
- 2] More than 50, 000 ZMK
- 3] More than 50, 000 ZMK but less than 100, 000 ZMK
- 4] Over 100, 000 ZMK
- 5] None.....

11. Please justify the extent of the particular form of finance that you received from a business accelerator and how it affected the growth of your business. Please select only what applies to you. Use a scale of 1 to 5 where [1: I agree], [2: I strongly agree], [3: I disagree], [4: I strongly disagree], [5: Neutral]

	1	2	3	4	5
Seed capital program was the most important in the start-up phase of my/our venture					
The capital acquired has helped expand my/our business to the new heights/locations					
The acquired capital has helped has helped my/our business develop new products/services					
The acquired capital has improved the operations of my/our business by acquiring the appropriate technology					
The acquired capital has improved the sustainability and stability of our/my business					

12. Please justify the extent to which the mentorship and training that you received and how it has affected the growth of your business. Please select only what applies to you. Use a scale of 1 to 5 where [1: I agree], [2: I strongly agree], [3: I disagree], [4: I strongly disagree], [5: Neutral]

	1	2	3	4	5
Mentorship and training has helped me/us attain a substantial experience, skills, and competences to manage my/our business better					
Mentorship and training help me/us generate new business ideas and innovations					
Mentorship and training help me/us employ new strategies to the growth of my business					
Experience, and skills sharing during mentorship and training programs help me/us become more responsive to any changes in my business venture or business operating environment					
The acquired capital has improved the sustainability and stability of our/my business					
The mentorship and training acquired has helped me/us gain a substantial level of confidence to make better decision and strategies even when faced with hurdles					
The mentorship and training acquired has increased my/our capacity to access/gain loans/finance from financial institutions and other sources					
The mentorship and training acquired has helped me/us better manage our human, and capital resources					
The mentorship and training acquired has helped us/me making Better marketing strategies for our products/businesses/services					

17. What form of training did receive your accelerator?

1] Records Keeping

- 2] Financial/Capital management
- 4] Strategic management
- 5] Marketing/branding
- 6] Business management/development
- 7] Other.....specify

18. To what extent has the program’s alumni network benefitted your business?

- 1] Not at All
- 2] To Small Extent
- 3] Moderate Extent
- 4] To a Greater Extent
- 5] To a Very Greater Extent

19. To what extent do you agree with the following statement on networking in relation to your business? Please select only what applies to you. Use a scale of 1 to 5 where [1: I agree], [2: I strongly agree], [3: I disagree], [4: I strongly disagree], [5: Neutral]

	1	2	3	4	5
Networking program provided by my accelerator has enhanced collaboration and partnership with other business					
Networking program provided by my accelerator has increased the business’ access to more markets					
Networking program provided by my accelerator has enhanced skills, competency, and talent development in our/my business					
Networking program provided by my accelerator has enhanced my connections with investors					
Networking program provided by my accelerator has enabled our business acquire or merge with other businesses					

Growth Parameters

20. Please fill in the table below using annual figures as at the end of each financial year for the years from 2020 to 2021

Parameter	Yearly Level (2020)	Yearly Level (2021)
No of employees		
An approximate number of employees		
Annual Sales Volume/Turnovers		
Annual Profit (before tax)		

21. Would you state any measure that the government, fellow SMEs, accelerators and other key stakeholders should take to make the programs of accelerators yield a substantial impact/on the growth of your business?

- 1]
- 2]
- 3]
- 4]
- 5].....

Thank you so Much for Your Time, Cooperation and Contributions Rendered.

Appendix: D: Summary of the services offered by accelerator programs

SUMMARY OF THE SERVICES OF THE ZDA

So, basically, we've been providing business development support services. So, these services ensure businesses graduate from micro to small, to medium, to large. The business development services are targeted towards both the entrepreneur and his/her business. Entrepreneurship skills development services are offered to develop or nurture core competencies required to run that particular business. This is achieved through capacity-building training. The content of the training includes business idea generation, planning, business plan development, record keeping, marketing, how to attract and satisfy customers, financial literacy, costing and pricing, record keeping, and farming as a business.

We also have services that are attached to your business, what we call enterprise development services. These are categorized into incubation services and acceleration services. The incubation phase consists mainly of business formalization through business clinics that provide on-the-spot registration services. In addition, we also provide business advisory services coaching, and mentorship. We also offer product development support services.

Our business acceleration services encompass access to markets through the provision of market linkages. Both to local markets and export markets. Sometimes we have our own market for products because of relationships that we've built with off-takers, such as the chain stores and other big, big off-takers. Then lastly, still under the acceleration services, we offer B2B networking. Where, basically, this results in joint ventures, and equity partnerships. We work with the investment team under ZDA. So, that wing has a lot of investors that come in the country. We also have forums such as the AU, EU, we had the China forum. Just last week, we had the Western Province expo. The aim of such forums is access to market linkages or partnering with potential investors

SUMMARY OF THE SERVICES OF THE HIVE

Our Entrepreneurship Wing came into full swing in the year 2015. It began with two of our flagship programs; Discover, an early-stage validation program running for weeks, every two months, and Launch, a three-month program, running every quarter. The goal of Discover was for businesses to validate their business ideas. So it was ideal for people with business ideas who were just at the beginning stages of their business journey. Launch was for businesses that were at the growth stage. So these are businesses that were operational but were looking to grow at a scale.

The entry criteria for the launch program was organisations that were operational, earning revenue, they should have had been preferably registered, whereas at the discovery stage, that was not really a requirement. The programs were not sector specific. But then as the years have progressed, more sector-specific programs have emerged, such as in education, in finance, health, in the creative space. So basically what we provide is the business support all the way from finance to marketing to customer acquisition, to how to grow and scale a business, how to talk to investors.

Some of the programs we run include the Standard Chartered Women in Technology Incubator (WiT) Zambia. This is Africa's leading incubator programme for female-run and founded businesses.

Stanbic Project Innov8 2.0

The Innov8 project, is targeted at Stanbic Bank Zambia staff countrywide who submit their ideas to solve some of the most pressing challenges in delivering financial services today; and preparing for future challenges and the inevitable disruptions caused by ever evolving technologies.

ZANACO Innovation Challenge

The ZANACO Internal Innovation Challenge seeks to attract new ideas that address current challenges in ZANACO's ability to deliver superior value to their customers.

DIGILOGIC

The vision of DIGILOGIC is to boost the cooperation and strategic partnership between European and African Digital Innovation Hubs (DIHs) paving the way for startups, SMEs and innovators to

jointly develop smart logistic solutions, in close cooperation with industries and ventures, securing sustainability and success.

SUMMARY OF THE SERVICES OF PROSPERO

Prospero was established in the year 2014. We started as a program called Private Enterprise Program Zambia, or PEPSI. And then in 2019, we rebranded and changed the name to Prospero. So from then, we've been operating under the name Prospero. So, our organization mostly focuses on addressing market system and value chain issues. We work in four key areas; food and agriculture, tourism, manufacturing and investments.

Prospero itself has got money that we invest in companies. So, this is not grant funding. This is somebody who comes to us and say, for example, for now, we focus on ICF, like environmental projects focused on (preserving forests, and solar projects). So, they come to us and then we fund their project and then they pay back the money to us. So, this is debt financing investment done by Prospero. We don't do equity yet, we do debt financing on ICF projects. So, that's one area of our investment. The second part of investment is facilitation. Okay. So, what happens is a company could come to us and they say, we are doing an expansion and this is going to require \$15 million, which we don't have and they want to go to an investor to raise this money. But before you raise money from an investor, there's a lot of paperwork and processes that need to be put in place. And you need an advisor to help you put these processes and paperwork in place. So, they'll come to us and say, help me get an advisor. So, Prospero will go and pay for an advisor. Sometimes it's a shared cost, but mostly Prospero covers most of it. For example, if an advisor costs \$80,000, Prospero might say, okay, we'll pay \$50,000, you pay \$80,000. Okay. Or we'll pay \$70,000, you pay \$10,000. And then Prospero pays directly that money to the advisor. To the advisor. So, once the advisor helps the company put in place all the paperwork and stuff that they need, then Prospero gets... we have this conference we organize every year. It was the beginning of this month. So, we bring investors and companies that we support. These companies will go and pitch to these investors to raise the money. If the investor likes the company, then they put in their money. This could either be debt financing or equity investment. So, that's how our investment side of things works

But for the other sectors, food and agriculture, mining and tourism, mostly what we do with them is grants. So, companies will come to us and say, I need to buy some equipment or a refrigerated truck from China or India. It's going to cost me 100,000 pounds. I'm asking for 70,000 pounds. And then Prospero gives them that money.

They don't need to pay back. The only thing is we sign an agreement with them and we monitor them for mostly a year. So, there are things we expect from their end. So, if we give you a grant, it means your project aligns with what we are doing. And we expect certain results. So, you want jobs created, you reach out to other businesses. So, these grants are only for these thematic areas. We try and limit everything to 100,000 pounds. With exceptions, we might go above that. Mostly we limit it. I mean, we give some companies just want a very small grant. They'll tell you, I just want 10,000 pounds

I mean, some companies just want a small grant. Companies will just want 10,000 pounds, 20,000 pounds. But there are some that, you know, want quite a substantial amount.

Though now we are piloting returnable grants. So basically what we want to say is, okay, you want 30,000 pounds. Here's 30,000 pounds. But we expect you to return it. We won't do it for all the partners. I mean, partners differ. But, you know, there are some SMEs on the mining sector, for example, who if you look at their bank details, you can see that they are making money, and they have their business. If you tell them here's \$30,000, here's \$50,000, use it. Within one year, bring it back. They'll be very happy to get it. Because they'll be like, it's free money. There's no interest. There will be no interest on that. There will even be cases where we give you 20,000 pounds and ask you to pay half of it. So again, it's almost free money. You use it and... But it's something we're trying to pilot. We've given a few retainable grants this year, but it's the first time we're trying that.

SUMMARY OF THE SERVICES OF AMSCO

AMSCO is a human capital development company. We specialize in mainly human capital development, we do project management and we are a consulting firm. So we branch out of the United Nations Development Program and what was called the ATMS, Africa Training Management Services, which was established by the UNDP to look at transforming Africa and the

way African enterprises are usually run. So it was about knowledge transfer and filling up the knowledge gap that was there. AMSCO, was created with the mandate to improve enterprises in Africa by leveraging the knowledge that was coming from the advanced first-world economies and here.

So when we were waived off from the UNDP, we got the same concept of bringing in technical experts, you find there are certain skills that you will not find in Zambia, to do with engineering. Yes, people have been educated at UNDP, or engineering from outside the world, but there's a sort of specific type of capacity building that a team or a company needs.

So we do HR consultancy, capacity building, we do training programs, we do bespoke training programs, and then we've got strategic, we've got partners outside Zambia that help us with certain courses. So we work with those, some of these are universities, we work with them, and then some of these are organisations like Insights, PE, BSD, and so on, and so on and so forth. So what we do is to help SMEs in this regard, we help SMEs accelerate their growth by building their capacity.

SUMMARY OF THE SERVICES OF GROWTH AFRICA

So what we have is a program, we run a three-month long program. And so this three-month-long program is divided into different components. It's a mix of boot camps and workshops. So what this does is that in the first month or so, the program centers on doing an audit of the position of the business.

So we're looking at your current reality, we're looking at your traction, how are you operating as a business as of now and are you able to define it as a business. So we work through a lot of maps, what we call journey maps. So these are practical sheets that allow the entrepreneur to be able to visualize what they're actually doing as a business. Because in most cases, people say I'm doing this, I'm doing this. But when it comes to linking A to B, it's very difficult for them to define what the linkage looks like.

So we then break down every component of the business. We now look at your business model. So that's the first point for businesses to see. Are they working at optimum? Are they efficient? And do they feel that they're effective as it is? And then beyond that

So when we are done doing the analysis of where they are as a business now,

So if we are going to grow and be sustainable as a business, what do we need to put in place? What should our business look like for us to grow going forward? So we work now. So now it's like whatever maps you filled out then in terms of what your value chain looks like, what's your business model, usually when people start to break it down and put it in visuals, they identify a lot of gaps. So once we identify these gaps, now we say with these gaps we've identified, what do we need to put in place to fill out these gaps so that our business can then grow? These are usually challenges, and opportunities, what is it that you need to put in place?

So then again we have a map that will help them now to figure out if you're going to grow your business, these are some of the things you need to put in place. These are some of the things that you need to do. But then in doing that as well, we try as much as possible to stop them from making it a pipe dream or just imagining something they can do. So we have a deliberate strategy where we tell them to develop what we call milestones. So we tell them to now set up three-month achievements and then we monitor them every three months. So at the three-month mark, we have what we call a growth sprint. Then we will say in the three months what you said on your own that you're going to do or put in place, where are you? So from that we're able to see if a certain business is always having excuses, I can't do this because of this, because of that, then you know that this business is actually, oh no, they're just not doing it. So then others you will see, they'll tell you, no, this is where I want to see my business,

I need to achieve one, two, three things. And as you monitor them every three months, you actually see that they are working towards achieving those goals. So the idea is that even as we separate from them after we do the program for three months, we monitor them at least for a year.

So by the time we are saying, okay, you can go on your own, we hope that they then get into this habit of consistently developing three-month achievements so that they can then go in that business. But you know how it is with a lot of these things, you're taught a school strategy, you're

taught how to do all these things, if no one is on your back saying do it, do it, do it, you tend to go back to the default setting. So that's why it's been put at one year because then for you to kind of go back to your defaults, it's hopefully by then the habit has kicked in.

So then that's the basis on which when we are saying as a company we've grown, is to see that some of the challenges you identified you had when we did the initial audit, you've now managed to overcome them and you're finding solutions which then you can use to make your business grow

Appendix: E: Summary of the challenges faced by accelerator programs:

CHALLENGES

1.0 Challenge number one, the participants, the SMEs, sometimes compete for attention with their businesses. So most of these run their businesses themselves and sometimes you find someone who misses two hours of training, they come in the middle of the training, when they've missed quite some information.

Sometimes they'll send in someone who doesn't really understand what they're talking about because they have missed some information and they do not have a full picture of what's going on. Yes, so most of the times everyone was competing for the time, their time, because they were like working and also focusing on the training, the project, the working. So that's challenge number one.

2.0 Challenge number two, there were some that didn't really want to get into too much detail concerning the finances of the business because they think there will be someone who will learn finance from my business. So we noticed that. Some would say, why should I learn? When I can pay

3.0 The other, the obvious one was COVID. COVID really impacted us. We incorporated field visits into our training programs. We went to see clients from their premises, some of them would not allow you, that's another challenge, and they would not allow you to see them because they were not well settled. Some of them had just moved offices. Because of COVID, some of them had closed down because in some places, rentals became too expensive. So some of them had to move to private properties and they didn't want us to see that they are actually coming from their private properties where they are doing their businesses from.

4.0 So the challenge is that first and foremost, it's very difficult to know where to get entrepreneurs who can participate in such programs. Organizations are not willing to share information. So if I go to this organization and say, look, I'm running this program, can you give me a database? It's

not something that someone is going to do. Most people don't want to share. So it's up to you to go out there and hope as you do networking.

5.0 Then another one also is, willingness to pay to participate in the program. So because we charge an annual fee, most entrepreneurs are used to participating in accelerator programs for free. And then on top of it, getting funding. So when you tell them, look, you come to my accelerator program, you pay to get the support you need to do your processes and get you investor ready. And then on top of it, you're not assured funding. Most of them are like, ah, I'm going to look for one that's going to assure me of the funding. So those are some of the challenges that we face. So it's basically, it's very taxing in trying to find these entrepreneurs.

6.0 Another challenge is finding entrepreneurs with the right mindset. Yeah, the right mindset to participate. Because most of them, it's just money they're looking for. A lot of them don't even realize, unless when they get in the program. Because now the cohort I'm running, most of them even say, you didn't make us pay enough. Because the support you're giving us is way, way more than what they've asked for. You should really charge more. But at that point, when you're trying to convince them to say you need to pay, then everybody's like, what? You need to pay? But others are joining it for free and who are doing it for free and all those. So they don't realize that even if those organizations are also doing it for free, it's not free per se. There's someone who's funding it. So, yeah, we need our entrepreneurs to get to that level where they're actually looking for information to support them and not wanting handouts. So to get that mindset of people that are willing to learn. So even when they come to most of these accelerator programs, the concentration is not there. Because a lot of them are just looking to get the money at the end of the program and attendance to activities is sporadic. So those are some of the challenges that we are currently going through.

7.0 There's so many challenges that come in for example, either compliance issues, they're not registered with ZRA. Some of them are not even registered with PACRA. This poses a challenges. So, you know, we are working with them and they don't have all the bank paperwork in place. They are not compliant and ready for support.

8.0 There's been cases where a company says, Okay, I need, 70,000 dollars. I need to do this. And then down the line, they realize like, Oh, actually, we didn't consider all things in order. For example, somebody says, I need to set up this plant here. I need this much money. And they realize like, Oh, I need Zesco. And for Zesco to come and connect me to power, they need 50,000 kwacha. And then they come back to our organisation and say, Oh, I'm sorry, with that money, I still need to get more money. I'm done with the factory. I'm done with everything. But there's no power. Again, this is not a one-off case I've seen. I've seen a few that come back to us and say, Oh, sorry, I need more money. I need to do this. I bought this equipment, but I don't have this. I don't know if it's poor planning by SMEs. So that's one of the challenges. Because we are sometimes forced to just come and help them again. Because we've put in already a lot of money. And they're coming for 50,000 kwacha. You're like, Oh, you know what, let's just give them.

9.0 On the reporting side, again, I would say Monitoring and evaluation is a challenge. It's actually scary to them when you tell them there will be monitoring and evaluation. It's like, Ooh, what's that? So it's not the usual business that they do, so it's new. We impose it on them somehow, because they need the money. So most of the data, especially for first-time grantees is not that accurate. They don't know how to report. We can help them to report to us. But yeah, we're not getting accurate information from them. Most businesses don't have an M&E unit.

10.0 In terms of challenges. Depending on the program, you find you have some dropouts or some people who are not serious. So usually most of these programs come late in a pitch day, where we pitch their innovations or ideas, and then you want a good number of at least 10 people pitching. So to get that number, you probably have an extra, maybe 12 people going through the program, and can allow us for maybe some of them to drop out.

11.0 So because some of the businesses may be at different levels, and by what I mean, someone might be at early stage, another one might already have customers, they have an accountant. So to create content that is still at all different stages might be a challenge.

12.0 Of course, most of the programs don't come with funding. So for some people it can be a challenge. Like what do you do? You have this idea, you prove that it's good, but then where do I take it next?

14.0 Another challenge is tracking the progress these businesses are making. They're not so good at giving back on-time evaluation feedback. So you really don't know where they're at, and what interventions could be done.

15.0 So, implementing of accelerator programs calls for a good number of tangible partnerships as well as resources. Not just financial resources, but also even human resources. You could imagine that just for the past year, the workforce under this division has only been a maximum of 14 people. 14 people responsible for the entire country. And this has been because of the funding issues. We have been unable to employ more people to do the extension. And those partners came on board. Exactly. So, that has been a very, very big challenge.

16.0 Mostly, we've had inconsistent and not persistent MSMEs. Some of them lack patience. There's no way you can start something today, and expect results the following day. A number of MSMEs that come here, even just as startups or as MSMEs, they are coming in late with documents. Help me finance this or link my business to markets. And then some of them, if you link them to the market, they are inconsistent. We believe if we're going to facilitate the market linkage, it has to be a sustainable market linkage.