Can experience be shared?
Accompaniment and Entrepreneurial Education in Kenya

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Dandora is a peri-urban area in Nairobi, Kenya, approximately four square kilometers, and home to about 151,046 residents. It is the home of Nairobi’s largest dump site.

The Ford Family Program established a program called the Dandora Human Development Program in partnership with the Holy Cross Parish in 2011 to assess the development needs of the people of Dandora and to intervene using community engagement as a core strategy.

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Research Objectives and Experimental Design

Do formal classes or structured mentorships have a bigger impact on young/inexperienced entrepreneurs? What social or skills acquisition channels does each operate through?

372 female-owned businesses are split into three equal groups:

1. Control: They receive USD 48, but no other assistance
2. Mentor treatment: They receive USD 48, and are guaranteed at least four sessions of coaching from a successful, local business person
3. Class treatment: They receive USD 48, and four class sessions on basic business skills, accountancy, pricing and costing strategies, and marketing for SME’s, taught by faculty from Strathmore university

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The Mentor Treatment

1. Mentors meet the mentees at their business four times to discuss entrepreneurship

2. We provided a short script of questions to the mentor to get them started each session (Did you do what we talked about last week? If not, what went wrong? What kinds of problems did you face last week?)

3. Mentors were paid USD 10 for participating
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**Results**

1. During a year of regular follow-ups, weekly profit is on average 20 percent higher among mentees than the control. Despite the limited scope of the mentor’s commitment, 45 percent of the mentor/mentee pairs were still meeting a year later.

2. Weekly profit is on average 0.2 percent higher among the class group than the control. However, there are statistically significant changes in business activity, particularly accounting.

3. Over time, the 20 percent increase among mentees gradually decreases. This coincides with the dissolution of the mentorships: those who were still meeting with their mentor had 55 percent higher profit. Mentorships end overwhelmingly because the mentor decides to stop (70 percent).

4. Primary channel: local knowledge. Mentees were 40 percent more likely to switch suppliers than the control group, and exploited a post January slowdown in business 50 percent more to accumulate inventory.
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Accompaniment

The puzzle: Why do profits for the mentor treatment go back to control group levels, despite increasing during the duration of the mentorship?
Qualitative Results

1. They learned how to *bargain for better prices* at the market place: Mentors actually took mentees to the market place and showed them how to haggle for prices by doing it. They told them to not accept the first price they received and bargain for a lower price.

2. The mentors taught the mentees how to *get more inventory during down time*: during the December holidays some mentors stayed behind and delayed their travel for holidays and guided their mentees on places on where they could get cheap stock

3. The mentors introduced the mentees to *cheaper suppliers* whom the mentors had a relationship with: some mentors went physically together with their mentees to new suppliers and negotiated for them to be given lower prices for goods, especially for clothes sellers and fruit and vegetables.
Qualitative Results

1. Mentors *vouched for mentees* and acted as their guarantors, facilitating the process of credit by suppliers.

2. Mentor advised mentees on *customer service*: an established saloon owner who was mentoring a woman with a smaller salon told her to be offering her customers refreshments.

3. Mentors also *advised mentees on marketing strategies* and showed them how to display their goods more effectively: one woman was shown how to arrange her fruits and vegetables better and told to put a clear new sign painted with the name of her business that is visible.

4. One mentor even lent her mentee about 20 USD to expand her business.
Qualitative Results

Why are they still meeting/talking over the phone a year after the end of the project?

1. I was inspired by my mentor to think big
2. My mentor was open and receptive
3. My mentor advised me to work smart
4. My mentor was very understanding and patient; she took time to understand me and my business and gave me advice
5. I call my mentor mum; we became very free with each other and I talk to her about my family

Why are some mentors not meeting with mentees:

1. A few said that they didn’t continue meeting because the mentor did not make time for meeting
2. They wanted the project to create a meeting place for the mentors and mentees
3. Some of the mentors claimed that the going to the mentees’ place of business was time consuming
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Conclusion

1. Microfinance, business classes, and other kinds of assistance typically help the “best” entrepreneurs, but have had mixed results in RCT’s

2. Mentorship has large and statistically significant effects, but they tend to vanish along with the mentor

3. The impact of accompaniment can be studied quantitatively — indeed, it has large affects

4. Accompaniment that occurred between the mentor-mentee pairs is yet to be explored deeply because it was an unexpected result of the study

5. A maternity hospital is in the final stages of construction in Dandora, and offers a variety of ways to continue addressing the community’s needs