



MENTOR-DRIVEN CAPITAL

A guide for mentors who are investing their time, networks and potentially money in up and coming entrepreneurs.



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FOREWORD



Through mentoring, business Angels offer more than just money. Mentor-driven capital is creating value for startups by sharing the knowledge, experience, and network gained over the course of a career, actively supporting founders to maximize the return on investment.

Where capital is only one aspect, a mentor-driven capital approach uses mentorship to guide entrepreneurs to success.

Understanding how to add value to a starting business is core to becoming a successful Business Angel.

- How can you help entrepreneurs become strong leaders?
- How can you support the founder team in achieving their business objectives?
- How can you unlock your network and expertise for the growth of the company?
- How can you use your experience to help the company navigate the market?
- How can you do this in your own interest to maximize value and improve chances of a successful investment outcome?

These seem like easy questions but there are tried and tested practices for how to do this. VC4A is working with leaders in the industry to provide you with the best tools and lessons learned available anywhere. Most importantly, we engage with experts from across the African startup industry to make the content and design of our programs contextually relevant.

Through mentorship, you will engage your peers in a truly unique hands-on learning experience in which through shared vision and hard work, great African companies are born.

MENTOR-DRIVEN CAPITAL

VC4A believes Mentor-Driven Capital is core to unlocking the continent's potential. Not only is the pool of entrepreneurial talent coming up across Africa expanding, the number and the quality of ventures are improving over time. These companies represent a powerful collection of innovations, products, and services that have the potential to transform every industry.

At the same time, as these businesses grow they offer new sources of income and produce high-quality job opportunities.

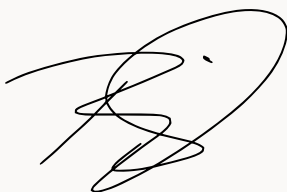
As the turnover of these businesses grow they provide African governments with new sources of tax revenue needed to invest in infrastructure and social services. And for ventures that achieve great levels of success, there is a healthy financial return for the investors that took the risks early and supported the effort with their Hard (money) and Soft Capital (Time, Network, and Expertise) when they needed it most.

Where any startup requires cash to operate, it is the application of capital in smart ways that secures a greater impact and return on investment.

VC4A research shows a clear relationship between venture performance and the support these ventures received from the startup ecosystem. For example, companies on average raised more capital, USD \$210,000 with ecosystem support vs. USD \$84,000 without ecosystem support, and are more likely to be generating new jobs. This is significant when considering 60% of the new jobs created are for individuals under the age of 36. Considering this impact, and given the continent's growing population, Mentor-Driven Capital has a critical role to play in supporting the continent's entrepreneurs. It is also where a good Business Angel can make the difference between venture failure, survival and success.

What makes Mentor-Driven Capital unique?

The focus and emphasis are too often on the money part of early-stage investing, when we know that the soft contribution Business Angels can make for startups adds the most value. Where any startup requires cash to operate, it is the application of capital in smart ways that secures a greater impact and return on investment. More importantly, Business Angels are in a unique position to add value. They often bring deep industry experience, an extensive network of contacts and many lessons learned from years of being in the industry. The Business Angel can provide a level of support an entrepreneur will not get from a traditional Bank, VC investor or most Startup programs. Business Angels can provide hands on support when companies need it most!



BEN WHITE
FOUNDER VC4A

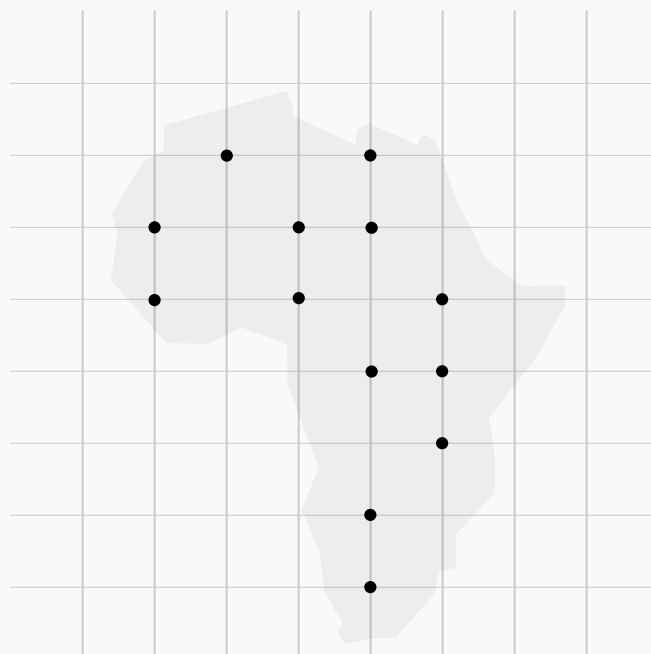
INTRODUCTION

Africa's increasing economic momentum is being fueled by a growing number of entrepreneurs and their ambition to transform the continent. It is imperative to seek out the collaborations and partnerships needed to bring together the capital, knowledge and network these entrepreneurs require to succeed. This is where mentors for entrepreneurs have a pivotal role to play.

According to recent research, “mentoring has become an essential factor in entrepreneurial success because mentors can help entrepreneurs overcome setbacks they commonly face in the early stages of their ventures. Yet despite its importance in helping entrepreneurs build a profitable venture, the full potential of mentoring relationships is rarely realized.”¹

With booming economies and startup ecosystems from Morocco to South Africa, and from Senegal to Kenya, there are many opportunities for aspiring and existing mentors to support budding and accelerating companies to grow and have an impact.

Maximizing the potential of mentoring relationships to foster greater mentor-driven capital throughout Africa and beyond is precisely what this mentorship guide aims to support.



¹ http://www.enterprisefutures.org/wp-content/uploads/2017/10/Mentoring-in-Startup-Ecosystems_UofMich_EFN_103007.pdf

VC4A BACKGROUND AND VISION ON MENTOR-DRIVEN CAPITAL

At VC4A entrepreneurship is seen as a key driver for the continent's continued development. Entrepreneurship can and should be a main driver in Africa's economic growth, as entrepreneurs have the potential to implement innovative solutions that create jobs and transform the communities and economies in their countries.

In collaboration with a growing network of partners, the VC4A community of entrepreneurs, mentors and investors plays a central role in bolstering the entrepreneurial ecosystem across the continent, and offers a direct channel for anyone serious about being part of Africa's success stories.

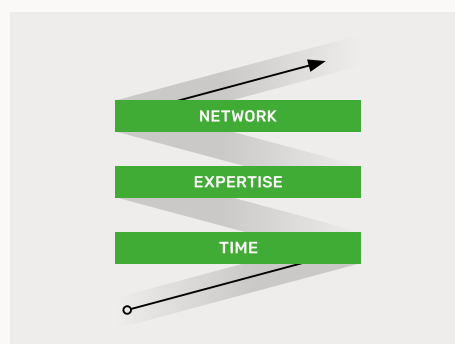
In 2007, Venture Capital for Africa (VC4Africa or VC4A) started with the mission to build up Africa's startup community. The network building organization has grown organically over the years into what is now the leading community working to build high-growth, high-impact companies on the continent.



Mentor-driven capital is creating value for startups by sharing the knowledge, experience and network you've built up during the course of your career, while maximizing the return on investment.

VC4A believes mentor-driven capital is core to unlocking the continent's potential. Not only is the pool of entrepreneurial talent coming up across Africa expanding, the number and the quality of ventures is improving over time. These companies represent a powerful collection of innovations, products and services that have the potential to transform every industry. Mentor-driven capital has a critical role to play in making this happen.

Our inspiration comes from the entrepreneurs bold enough to start great companies that have the potential to change the world. Mentor-driven capital - where Hard (money) capital and Soft (time, expertise and network) capital are combined - will make these companies thrive.



VC4A strengthens Africa's startup community by connecting entrepreneurs creating innovative and scalable businesses with the knowledge, network and funding they require to succeed.

- Entrepreneurs get access to the VC4A Startup Academy, mentorship opportunities and the ability to raise capital.
- Mentors are able to learn about startups and connect with those entrepreneurs they wish to potentially mentor, if not invest in themselves.
- Program partners engage members with their entrepreneurship programs, competitions and services.
- Investors are able to discover great companies, research opportunities and follow up with founders directly.

This mentorship guide is produced through a collaboration with VC4A, LEAD/WorkinProgress, HYBR, ViKtoria Ventures and Lagos Angel Network, with support of GIZ's Make-IT Initiative, which is implemented on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). Special thanks goes to the African Business Angels Network (ABAN), CcHUB, NaiLab and Endeava.

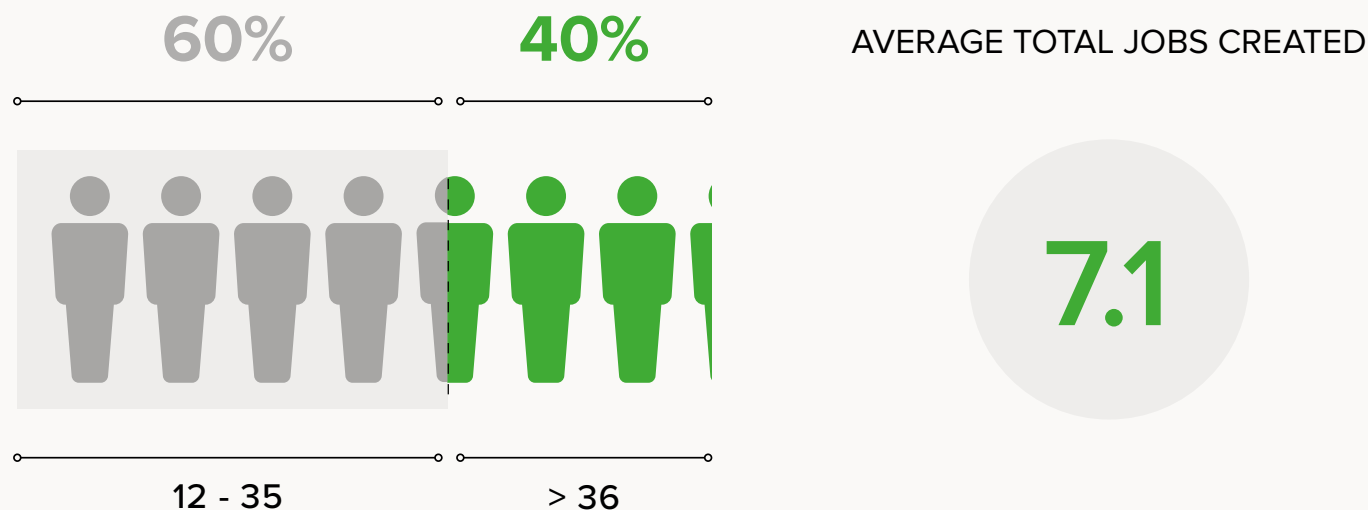
WHO SHOULD USE THIS GUIDE

Are you a successful entrepreneur, business professional or Angel investor, and do you have considerable expertise to offer, as well as interest in guiding entrepreneurs yourself? Would you like to become active as a mentor to support developing entrepreneurs in their efforts to build new companies, particularly throughout Africa?

Then this guide is for you. This is a collection of materials for the scope of one-on-one mentoring that can help you start as a mentor and to guide your journey.

Experienced business mentors have the professional and industry knowledge, and expertise and networks, that can open up the gateways to accessing capital. The the African startup ecosystem will not realize its potential without robust active networks of quality mentors.

AVERAGE INVESTMENTS SECURED IN USD



[VC4A research²](https://vc4a.com/research/) shows a clear relationship between venture performance and the support these ventures received from the startup ecosystem. For example, companies on average raised more capital, USD \$210,000 with ecosystem support vs USD \$84,000 without ecosystem support, and are more likely to be generating new jobs. This is significant when considering 60% of the new jobs created are for individuals under the age of 36.

Considering this impact, and given the continent's growing population, mentor-driven capital has a critical role to play in supporting the continent's entrepreneurs. It is also where a good Business Angel can make the difference between venture failure, survival and success.

² <https://vc4a.com/research/>

CHAPTER 1

GENERAL MENTORSHIP PROCESS

1.1. What is mentoring?

Do you have someone in your life who helped you either on a personal level or on a business level? Someone you went to regularly, or perhaps still go to, for advice and support on a number of issues? Did they do it because they like to give back without necessarily expecting anything in return? Then that person was, or is, a mentor.

The entrepreneurial journey can be a lonely one. Founders deal with many pressing issues. Many of them do not have the depth of leadership or industry experience to make impactful decisions and to grow themselves, so they can grow their business.

A mentor is a trusted guide with knowledge and experience an entrepreneur can leverage to navigate their entrepreneurial journeys. Many quality mentors have walked the same path, or a similar one, and can provide insights and counsel to give entrepreneurs deeper perspectives while making critical decisions.



“As a mentor, you should be learning as much from the entrepreneur as he or she is learning from you”

JASON NJOKU Co-founder and CEO of iROKOTv

1.2. Distinguishing between a business mentor, an adviser, a coach, an Angel investor, investor and business Angel

A **business mentor** is a more skilled, experienced and trusted individual who is willing to share their knowledge, skills and experience with someone who is at the beginning of their career as entrepreneurs, in a trust-based one-on-one relationship over a period of time ranging from a few months to a few years. The focus of the mentoring is directly on the individual entrepreneur’s growth vis-à-vis the business he/she is building. The issues the mentor provides support on can be wide-ranging (broad scope) and morph over time as the mentee and the business develops and the issues he/she faces change.

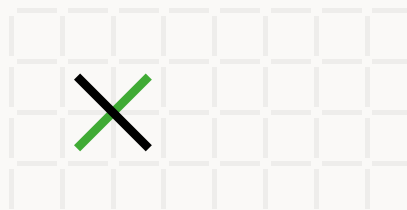


“A business mentor does not get involved in the operational workings of the company, but rather focuses on guiding the entrepreneur on an individual level to drive the success of his or her own company.”

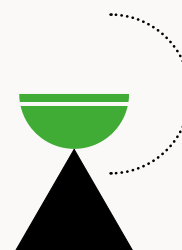
TOMI DAVIES Co-founder of Lagos Angel Network, President of the Africa Business Angel Network and active business mentor, philanthropist, investor and adviser

Any impact on the business that may happen as a result, is an extension of the mentor's support to the entrepreneur's capacity to operate the business. A business mentor usually offers his or her guidance free of charge. Although it should be noted that a commercial relationship, including an Angel investing relationship, between the mentor and mentee is not precluded by a relationship which begins as a mentorship.

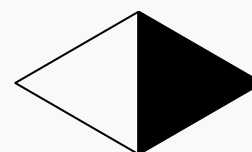
An **adviser** provides his/her expertise regarding specific issues (more narrow scope) of the company following a commercial agreement and contract. The adviser advises an entrepreneur, his or her team, the board and so on, offering suggestions at a more involved level related to the business operations and performance. The adviser may or may not have personal experience in starting or running a company.



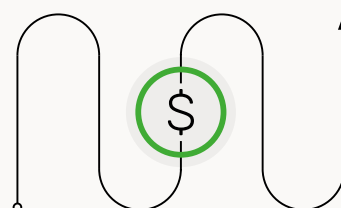
A **coach** is similar to the role of a mentor but, in contrast to the mentor, provides support to an entrepreneur on a specific skill or area of need (narrow scope). The relationship usually ends when that specific skill is mastered by the person being coached. A coach may or may not have personal experience in starting or running a company. A coach can also be paid.



An **Angel investor (or business Angel)** offers hard (money) and soft (time, expertise, and network) capital support to the entrepreneur (mentee) who is responsible for building the business structure that will carry the idea.



An **investor** invests hard capital (money), often without offering the entrepreneur soft capital (time, expertise, and network). This is not necessarily an issue if both parties are up front about this at the start of the relationship and to manage expectations. Mentor-driven capital is the combination of both, and is what defines the business Angel.



What is a business Angel?

A business Angel is both a mentor and an Angel investor. It is an individual that invests time to mentor as well as personal capital in a seed or early stage company.

Business Angels invest their personal capital made up of:

TIME - Mentoring & Advising

Industry, Sector, Segment Expertise,
Specialization, Skills, Experiences

RELATIONSHIPS - Access

Business & Personal Networks Events, Phone &
e-mail, Online & Social Media

MONEY - Funding

Equity, Shareholding, Debt, Notes

In... Startup & scaleup companies

...and get their “Return on Investment (ROI)” from:

- Keeping up with the business world through exposure to entrepreneurs
- Practicing entrepreneurship without responsibility
- Experiencing the joy of giving back to society
- Exchanging thought leadership in panels, speaking and judging competitions at events
- Enjoying the social side of Angel Investing in an ecosystem
- Receiving average annual returns of about 25% from a carefully selected and managed portfolio over a long run.

BUSINESS MENTORING IN A NUTSHELL



- Focuses on the individual



- Trust-based



- Can be broad in scope covering a number of topics over time



- Duration can be several months to several years

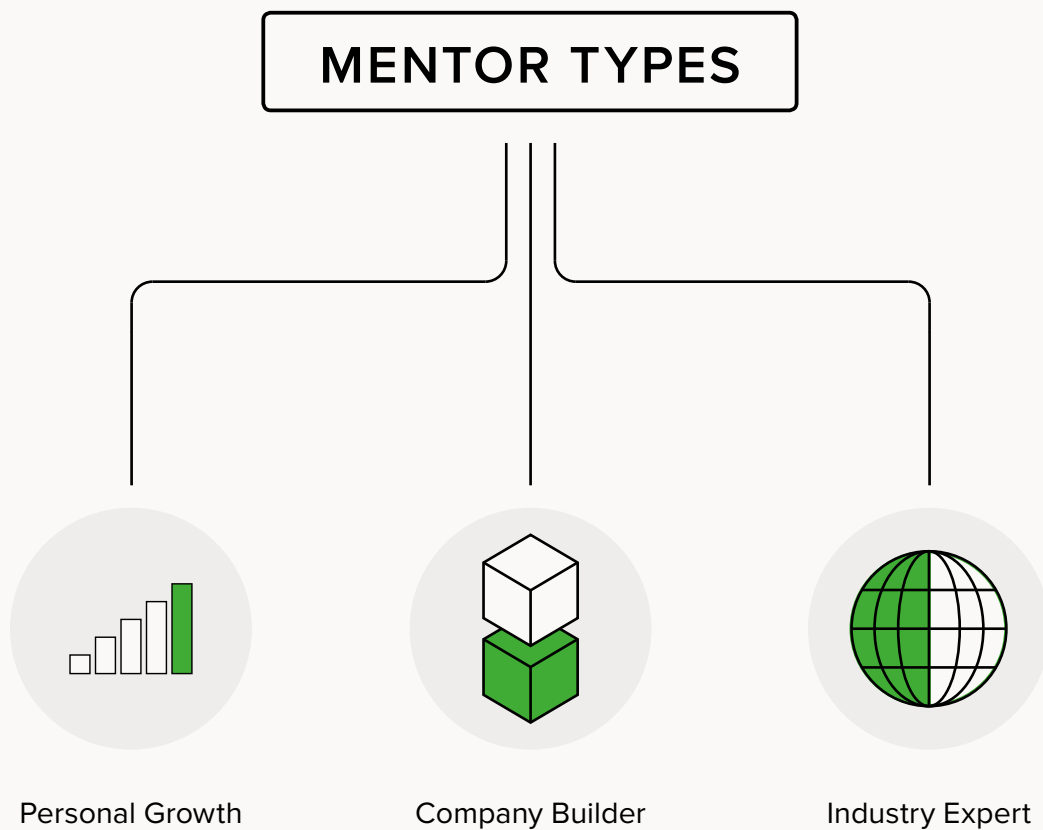


- Is generally unpaid, but it is possible it can transform into a commercial relationship (mentor-driven capital)

1.3. Deciding to become a business mentor

Maybe it's your first time mentoring, or maybe you have been a mentor before. Perhaps you've even had a mentor yourself. The decision to become a business mentor should be guided by your ability to commit the time and energy to an entrepreneur. Keep in mind that you can set the boundaries and expectations around this, but it is advisable to decide whether you are willing and able to make the commitment.

It's important to think about what kind of mentor you will be. In general there are 3 different types of mentors: Industry experts, company builders or personal mentors.



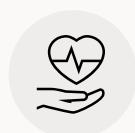
What exactly does it take to be a business mentor? Read the chief characteristics we have identified on the next page.

4 CHARACTERISTICS OF A GREAT BUSINESS MENTOR



1. You possess a wealth of knowledge and experience

Perhaps you are a successful entrepreneur yourself, or a business professional with years of industry experience. Or maybe you have significant functional expertise (i.e. in law, finance, etc.), or experience as an investor. Whatever your background is, you are considered a leader in your field--you have a depth of knowledge and expertise and wish to share it with entrepreneurs.



2. You're a giver

You are willing to commit your time and energy to being a mentor. You enjoy giving back to others without the promise of receiving something in return. You take your commitment to a mentee seriously and carve out the time in your busy schedule to make yourself accessible to provide guidance to the mentee over a period of time.



3. You have a passion for seeing others develop and grow

You like working with other people, sharing your insights with them and get a kick from seeing that light bulb in someone's head go on when the information clicks. You like to encourage others and see people at their best and to be a part of their development and success, particularly so if you're an Angel investor.



4. You are driven to make the world a better place

Entrepreneurs are trying to solve problems that make our lives a bit easier, whether it be in the tech, health, agribusiness or any other sector. You share their motivations and philosophy for change and are genuinely interested in the startup ecosystem and the sector in which the mentee is working.





“I consider mentorship as a way to walk with somebody on their journey to becoming a better person, a better entrepreneur. As an entrepreneur, I’ve made some pretty big mistakes myself. I’ve taken detours and failed along the way. So, a large part of mentoring – for me – is about sharing those stories and experiences to save others that time or those resources wasted.”

DR. LAILA MACHARIA Group mentor, serial entrepreneur and Angel investor

Two-way street

Mentoring is a two-way street; it is a mutually beneficial relationship. An entrepreneur needs advice and support, but you have an interest to support their efforts and can gain from the relationship as well. Mentorship is a tangible way to contribute to the creation and success of new companies while taking an active role in supporting an entrepreneur’s efforts. Read our list of the main benefits for you in a mentoring relationship.

TOP 7 BENEFITS FOR YOU AS A MENTOR



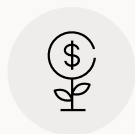
1. Access to new ideas

You stay in touch with the latest developments in the entrepreneurial ecosystem and particularly in the markets and sector in which the mentee is working. As a result you can expand your own knowledge base, which may be both personally and professionally exciting and useful.



2. Enhance your own career and professional network

You come into contact with the mentee, but many others in his or her network through introductions, which in turn connects you to even more people. Your social capital expands.



3. Learn about potential investment opportunities

Following from #1, the access to new ideas and the latest development is really handy when scouting for investment opportunities as an Angel investor. You get insights into sectors and companies which you may not have gotten otherwise.



4. Develop your own skills

From mentoring, you grow your own skills as a communicator and as a leader, thereby enhancing your own personal capacity as a leader of leaders. The more mentees you mentor, the sharper your skills become.



5. Personal and emotional satisfaction

The chance is that, as a mentor, you've achieved a high level of success yourself, but you likely didn't get there alone. When you reach a certain level and age in your life, it may bring you personal and emotional satisfaction to give back by sharing your insights and experience with others, to help others succeed, like you



6. Become a talent magnet

If you are a good mentor, other promising founders will find you. You become a talent magnet and if you are an Angel, having good mentoring skills means you can attract good founders for your investments as well.



7. Develop new friendships

While you cannot expect that every mentee will become a close confidant or friend, there is a chance a relationship can evolve into a friendship after so much time talking and sharing. Whether a mentoring relationship turns into a friendship is your choice and is a boundary you can think about before entering a mentoring relationship.

1.4. What does a business mentor do?

As a business mentor, you can potentially mentor anyone starting and running a business—from an entrepreneur starting up, to one who wishes to scale, or a founder running medium and large-sized enterprises.

Being a business mentor is, foremost, about getting to know an entrepreneur well enough that you can ask relevant questions to help guide the mentee along the way. As a mentor, the questions you ask and the advice you offer depends on what the entrepreneur specifically needs and seeks from you relative to the stage that s/he is at in the entrepreneurial journey.

For example, entrepreneurs with highly technical backgrounds may lack managerial experience and need guidance in that area. Or perhaps the mentee's company needs to fundraise and would like support on where and how to start. You can ask questions, recommend articles or other resources that lead the entrepreneur into the right direction so s/he can make good decisions. Business mentoring is about introducing a bit more rigor and discipline into the way the entrepreneur is running the business by acting as a 'friendly pest', and encouraging them along their journey.



“What shows me rigor in an entrepreneur’s approach are monthly financials, regular phone calls and evidence of consistent business development. A mentor has to be a friendly pest – Where are the financials?, when is our next Advisory Board call?, ‘Where is revenue?’ ”

JOEL PATENAUDE Experienced business leader, active mentor and Angel investor of entrepreneurs across Africa and the US

At the same time, the mentee should own the mentoring process and prepare for every session adequately, for example by sending any information of questions in advance to the mentor before a mentoring session.

As a business mentor, you can ask probing questions, you share advice and information, you are a network enabler, you are a role model, you are a sounding board, a guide, a partner, an advocate, and more.

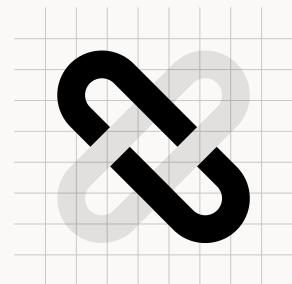
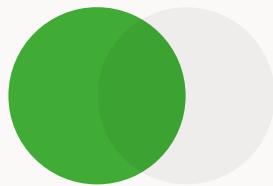
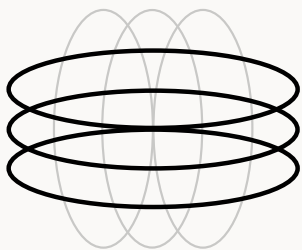
Mentor-Driven Capital – Mentor and Angel Investor in one

Maybe you came into mentoring as an Angel investor, or perhaps you were first a mentor and now want to become an Angel investor in your mentee's promising company. The role of the Angel investor has been evolving over the past years and mentorship is often rather interwoven into the role, since of course as an investor you have an interest in seeing your mentee and his or her company grow and succeed.

Through mentoring, business Angels offer more than just money. Mentor-driven capital is about creating value for startups by sharing the knowledge, experience and network you have built up over the course of your career, to actively support founders to maximize the return on investment.

Where capital is only one aspect, a mentor-driven capital approach uses mentorship to guide entrepreneurs to success. Among other things, having an experienced Angel investor as a mentor in a company can increase the credibility of the company, ignite growth, and lead to more investment through network contacts. You can maximize value and improve the chances of a successful investment outcome, which is in both your and the mentee's interest.

Mentor-driven capital has a critical role to play in supporting the continent's entrepreneurs. It is also where a good mentoring business Angel can make the difference between venture failure, survival and success.



“When you as an entrepreneur ask for investment, you get advice. When you ask for advice, you might end up with an investment”

GERALD OTIM Founder of Ugandan fintech company Ensibuuko that is helping savings and loans of agriculture cooperative go paperless and become more efficient using a cloud-based and mobile money enabled software platform

DEPENDING ON THE MENTEE'S NEEDS AND STAGE IN THE ENTREPRENEURIAL JOURNEY, YOU MAY:

Share industry information and business knowledge

You can share your specific knowledge, experiences, and wisdom in your field(s) of expertise, whether it be in tech, finance, health, energy, communications or any other industry the specific entrepreneur and company is working in and needs support. You can share resources in the form of articles and point them in a good direction.

Advise on goal setting and planning

Some startups or companies may need support on defining and planning their goals as they change over time as the entrepreneur makes progress. As a mentor, you can provide support in helping them to ask probing questions and brainstorm goals and how they might be achieved.

Serve as a challenging thinking partner and sounding board

In your role as a business mentor, you cannot underestimate the value of simply thinking along with the mentee. You know the saying, two heads are better than one? It's true. Being able to think along with someone, and to act as a sounding board, can be of real value to entrepreneurs starting up and scaling companies. You can stimulate curiosity, generate ideas, unlock challenges and opportunities through listening, joint reflection and asking relevant questions.

Provide a range of strategic and operational support

In your role and depending on your own level of experience, you can provide support around critical areas such as accessing finance and raising capital, team management, partnerships, capacity development, and more. You can help boost growth and acceleration through your strategic and operational questioning, suggestion of resources, including specific trainings to seek out, connections and other guidance.

Be a role model

Being a business mentor also means you are a role model. You are able to be a mentor because of what you have achieved and by the reputation you have developed over years of hard work, by your successes and, yes, by your failures too. Sharing these stories and insights, transmitting your experience, with the mentee makes you a great role model and someone valuable to learn from. Women entrepreneurs, including across Africa, sometimes feel they don't have enough women role models to look to for inspiration. Particularly if you are a woman mentor, don't underestimate the value of this for a woman mentee.

Enable access to business contacts in your network

As an established professional or entrepreneur yourself, you have very likely developed a strong network of contacts. In your role as a mentor, you can share and facilitate contacts with the mentee that may lead to further opportunities. Deciding when to open up your network is a personal choice and comes after a solid level of trust has been established.

Act as an advocate and reference

Last but not least, as you take the mentee under your wings, you get to know the entrepreneur better through the trust-based relationship, you may find yourself advocating for him/her specifically with others in your network. You celebrate the mentee's successes, big and small, and you can be a champion for the company in your sphere of influence, publicly and privately. You can refer the company to contacts in your network to facilitate references and potential new business, among other things.

1.5. Four building blocks of a strong mentor-mentee relationship

There are four main building blocks that underpin a strong and productive mentor-mentee relationship: Trust, Clear expectations, Confidentiality and Communication.

1.5.1. Trust

Everything starts with trust. Without this basic building block in place the entrepreneur will not open up on real issues nor consider your inputs as a mentor. Without this shared understanding and trust between parties, meaningful mentorship is not possible.

Trust is something that grows over time, so don't expect this to happen overnight. In many ways, trust also should be earned. Each part of the mentorship engagement is another opportunity to further develop the mentor-mentee relationship.

In the initial phases, what you are looking for is to 'click' with the mentee. Learn about your mentee, their previous experiences, and about the expertise they may need. Likewise, entrepreneurs should come to you with an idea of the issues they're confronting and where they believe they need support at the given time. Explore different ways for the two of you to engage in the beginning. The most important step is to establish mutual interest and trust. Refer to Annex 1 for a needs assessment questionnaire for yourself as a mentor and one which can share with mentees before entering into a mentoring relationship.

In many instances, a relationship will start small and then grow and develop over time and as the trust between parties improves. The relationship also deepens as the parties understand how they can benefit from one another and create value for one another.

1.5.2 Clear expectations

The mentor-mentee relationship can be either formal or informal, but it is important to make sure that you are both aligned on the expectations. If you or the mentee expects a formal relationship, and you engage in an informal relationship, your expectations don't match.

It is important to understand the motivations of each party. You may have something concrete you want out of the mentoring relationship, such as to find a good investment opportunity. You may want to do it to give back, maybe you are looking to become a part of a new, exciting company, or perhaps you wish to build credibility and enhance your expertise. Whatever the motivations, you should make these clear to the mentee, and vice versa.

In some cases it might be appropriate to have a mentorship agreement put in place and to think about what to do in situations where a conflict of interest may arise. A mentorship agreement (see Template for reference in Annex 2) can bring clarity to the mentor and mentee's goals and expectations.

1.5.3 Confidentiality

Part of agreeing to the structure and expectations is also being clear about what is and isn't confidential. As a mentor you always want to operate on the side of caution and treat any information you are given as confidential. Ask the entrepreneur for permission before sharing any details or information with third parties. Accidentally or carelessly sharing an entrepreneur's information without permission is certainly a way to lose the entrepreneur's trust. The entrepreneur may also wish to have a Memorandum of Understanding (MOU) or Non-Disclosure Agreement (NDA).

At the same time, don't assume the information you share with an entrepreneur is confidential if you haven't made this explicit. Real trust and confidence has to be in place before you can discuss sensitive business issues that have real consequences on the business, your network of contacts, and so on.

It's important to sense that you can safely communicate openly and effectively. The mentee will also appreciate this, as the value of confidentiality goes both ways. Confidentiality underscores all of the other building blocks.

1.5.4. Communication

Next to mentoring, you most likely have a lot of other work and commitments to tend to. Therefore, it's important to communicate how often you would like to meet and by what means, i.e. virtually or in person. Do you prefer a monthly call with updates, a face-to-face meeting each quarter, or ad hoc contact when required? Do you communicate via e-mail, Whatsapp or in person? Until what time can your mentee reach out to you in the evening? Make sure you and your mentee are on the same page about what works best.

In terms of time and how the meetings will take place, you and the mentee can agree on the best form of contact. If you both happen to live and work in Nairobi, then maybe you can arrange a face-to-face meeting over coffee or lunch. With modern technology today, though, setting up meetings with mentees at a distance is also common--all you need to think about are time zone differences and sometimes weak internet connections! Regardless of how you meet, experts seem to agree that one, maximum two hours, is good for a mentor-mentee session.



“An hour once a month, over lunch or coffee, is a sweet spot for a mentoring session. I’ve seen mentoring relationships last from 6 months to 10 years in some cases. Over time, the meetings may start out monthly, then become quarterly and then happen on an ad hoc basis.”

CHARLES OJEI CEO Hybr Group and active mentor

Sometimes, it's also about a communication structure that allows both the time of the mentee and the mentor to be well spent. Some best practices include: the mentee sharing in advance a 1-page briefing sheet that covers key conclusions from the last meeting, any recent updates, key topics he/she wants to focus on. This allows the mentor to prepare and also build progress and traction over time.

MENTORING QUICK TIPS



- Be yourself, be genuine and be honest.



- Ask questions, lots of them.



- Actively listen, be compassionate. Communicate openly.



- Celebrate the entrepreneur's successes with them, and help them examine any setbacks or failures with them.



- If you don't know something, say it, and offer other ways to help, such as a contact in your network.



- Know that the mentee may not always do what you advise. And that's ok.



- Bring a positive energy to the relationship.



- Think along, encourage, but also challenge the mentee.

1.6. Five steps for structuring the mentoring engagement

1.6.1. Finding an entrepreneur to become your mentee

To become a mentor, there are many places to start, including VC4A's Mentorship Marketplace. The best relationships of course happen naturally, after meeting at an industry event, through your own company and work, through someone else in your professional network, through family members or friends, and so on. Once you have found a mentee and you both agree to commit to the relationship, you have to iron out some basics and define the boundaries of the relationship.

1.6.2. Defining boundaries and structuring the engagement

As a mentor, you may ask yourself. What should I share? What is off limits? How should I share this information? What will be my approach towards the mentee? These are some of the many boundary-related questions that you may have at the beginning or during the mentoring relationship

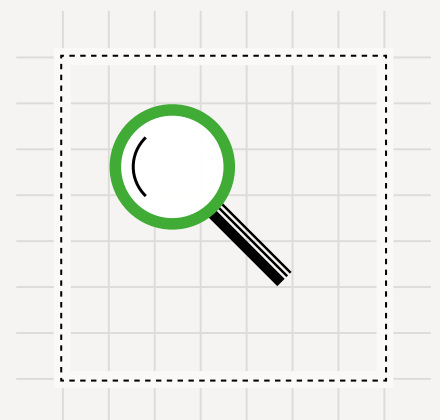
The reason it's good to create boundaries for yourself, and for the mentoring relationship is to create the basis of understanding of where you stand, and where the mentee stands, vis a vis yourself. Doing this at the beginning means you won't have to worry about it down the road, and you both can stay focused on what falls within those bounds you have mutually set.

Boundaries may come out naturally once you set out in an agreement on how much time, energy and the expectations you are willing to commit to. Each mentoring relationship will require different boundaries as each person, each company, is different and thus each mentorship engagement will vary.

If you are a business Angel, it is also important to determine and share your interests as an Angel investor. Investing money into the mentee's business is not a requirement. It is not always possible. It can be that you do not have the financial resources to invest into the business or that the entrepreneur is pursuing a fundraising strategy that doesn't allow for you to participate as an investor. Again, this is not necessarily an issue, but it is one where both parties need to understand the incentives that motivate their partnership and to set realistic expectations.

THINK ABOUT

- In which areas can I be most useful to the mentee?
- What will I do if I cannot help on a certain issue?
- How often do I want to meet and for how long will each meeting be?
- Where do I want to meet?
- How long should the mentorship be?
- Would I be ok to extend the mentorship relationship beyond the originally agreed timeframe?
- Who should initiate contact?
- When do we contact each other?
- Are there 'off limit' times when I don't wish to be contacted?
- How much do I want to get involved in the company?
- Where are my boundaries between business and social interactions with the mentee?
- Am I interested in becoming an Angel investor? If so, what are my expectations and grounds for investment?
- Are there potential conflicts of interest? If so, how should I handle them?





“To set expectations from the beginning on, be clear about what your need is as an entrepreneur and what the mentor can offer and what not to”

OMAR SAKR Founder and CEO of Nawah Scientific

1.6.3. Goal setting

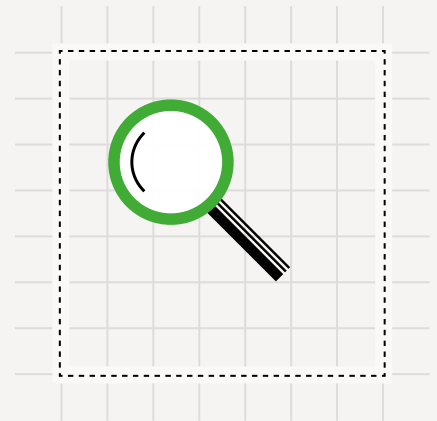
Once you and your mentee have established the relationship, agree on the aims of the mentorship together. Identify specific areas where support is needed, set out a rough timeline, and identify where issues may arise and how you both will mitigate them in that case. You can outline these goals in the mentorship agreement found in **Annex 2**. Setting the goals from the outset help frame the relationship over time. If the goals are achieved after a certain amount of time and you both wish to re-assess and set out new goals to continue working towards, go ahead and do so.

1.6.4. Discuss the end of the mentorship upfront

Thinking about how the mentorship will end, from the beginning, enables you both to shape how the mentorship should progress and what a natural end may be for both of you. Having an idea about the end sets a long-term benchmark by which to measure the mentorship progress.

THINK ABOUT

- Is the conclusion of the relationship when...
- The startup has secured financing?
- The mentee has established a strong corporate partnership?
- You simply don't see eye to eye anymore?
- The mentee is no longer developing?
- Your specific industry or business knowledge has been exhausted?
- Three or six months, a year or two have passed?
- There is a natural end?



There are many reasons a mentorship engagement can end. Discuss it and put it to the wayside while you start collaborating.

Refer also to the **Annex 1**, the pre-mentorship questionnaires, for yourself and for the mentee.

1.6.5. The mentorship agreement

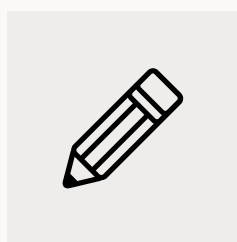
Everything that has been described in previous sections can be neatly reflected in a mentorship agreement.

While using a mentorship agreement is entirely up to you, it is advisable to at least write down some basic principles and goals you both aim to adhere to. The agreement helps align you and the mentee on expectations, timelines, and more.

See **Annex 2** for a template of an agreement.

1.7. The VC4A Mentorship Marketplace

In the VC4A Mentorship marketplace, entrepreneurs that have registered a profile for their venture on VC4A.com have the ability to submit a request for mentorship support. These requests are screened by the team at VC4A before they are presented to you as a mentorship opportunity. As a mentor or aspiring mentor, or Angel investor, you can scope out the entrepreneurs and consider the mentorship requests available.



TIPS

Joining the VC4A Mentor marketplace

- Read about VC4A's mentorship [process](#)
 - Check out the number of potential mentees in the [VC4A network](#)
 - [Register](#) as a mentor on VC4A's platform if you haven't already!
-

1.7.1 Other mentorship initiatives in Africa

Next to VC4A's mentor marketplace and resources are a number of other notable mentor support programs. Here we provide a list of the most active ones:

Mowgli Mentor training program in MENA region, UK and Kenya

Mowgli's vision is focused on the development of societies through the mentoring and evolution of entrepreneurs and leaders. Based upon the MME syllabus, Mowgli designed its Mentor Training Program specifically to train corporate, executive, youth, entrepreneurial and government leaders as mentors to serve their direct beneficiaries and pass on the benefits of mentoring to others.

[Mowgli Mentor Training](#)

www.mowgli.org.uk/node/1040

Enpact Startup Mentoring

Over the last few years, Startup Mentoring by enpact has driven ambitious entrepreneurs to overcome obstacles, scale their business, connect internationally with partners and gain new insights to develop their strategy and strengthen their management skills.

[Enpact Mentoring](#)

www.startup-mentoring.org/how-it-works/

Tony Elumelu Mentor Program

Mentors are a vital part of The Tony Elumelu Foundation Entrepreneurship Program and will be selected for their expertise, passion and alignment to the program vision and mission.

[Tony Elumelu Mentoring](#)

<http://tonyelumelufoundation.org/programme/mentors/>

Endeavor launches in Nigeria and South Africa

Endeavor promotes the right mix of talent, funding and networks to accelerate high-impact entrepreneurship that can transform the local economy and the wider region through large-scale job creation, investment, and innovation.

[Endeavor](#)

<https://endeavor.org/network/endeavor-launches-in-nigeria/>

YALI Regional Leadership Center East Africa Mentorship Program

Mentorship is a big part of the Center's 4-week program. Mentors are the role models, coaches, acquaintances, and guiding lights who will be a crucial part of developing our participants to positively improve their communities, enhance their leadership skills, and become global citizens. The goal of the Mentor/Mentee relationship is to offer both parties a chance to learn from each other and to build understanding across generations, culture, citizenship and backgrounds.

[Yali Regional Leadership](#)

www.yalieastafrica.org/faq/mentors_and_advisors.php#mentorship

Mara Mentor

Mara Mentor was one of the first mentor initiatives in East Africa and uses an online platform and mobile application that enables ambitious entrepreneurs to connect with peers and business leaders. It empowers entrepreneurs to build their businesses into agents of job creation and economic advancement. It inspires, thereby facilitating a collaborative approach to business start-up and growth.

[Mara Mentor](#)

<https://mentor.mara.com/>

Unreasonable East Africa mentor program

Mentors play a central role in Unreasonable East Africa's ability to create an unreasonable advantage for the entrepreneurs we work with. As an Unreasonable mentor, you have the opportunity to leverage your experience and expertise to help Unreasonable entrepreneurs scale solutions to East Africa's most pressing problems.

[Unreasonable Mentor Programme](#)

<http://unreasonableeastafrica.org/mentorship-overview/>

Seedstars mentor network

Seedstars has created a network of domain experts, serial entrepreneurs and corporate leaders that are involved to mentor the 75+ Seedstars World finalists. The mentors are tasked with challenging and accelerating the businesses and also prepping the startups for the global final in Switzerland.

[Seedstars Mentor Network](https://www.seedstarsworld.com/summit/mentors/)

<https://www.seedstarsworld.com/summit/mentors/>

African Women's Entrepreneurship Program / MicroMentor

AWEP enables African women entrepreneurs by providing them with the knowledge and network to access markets. That is why AWEP is working with MicroMentor to offer opportunities for mentorship to our membership. Now, you can volunteer your business expertise and background to help an African women entrepreneur grow her business.

[Micromentor](http://www.micromentor.org/awep-mentor)

www.micromentor.org/awep-mentor

National Mentorship Movement (South Africa only)

The NMM was started with a belief in the power of the innovative spirit of South African's to make our country great by tapping into the collective knowledge of successful South African business leaders and entrepreneurs. The objective is to connect the right mentors with the right entrepreneurs and in so doing, start a conversation that will lead to the exchanging of ideas and experience, thereby increasing the chances of success.

[Mentorship Movement](http://mentorshipmovement.co.za/)

<http://mentorshipmovement.co.za/>

NaiLab mentorship (Kenya)

Nailab has two core options for programs, including mentorship, through which a startup can benefit from for incubation/acceleration. Its core incubation program is a standard program that runs throughout the year. However due to the need for specialized incubation programs, the incubator has also developed programs as part of different partnerships.

[Nailab Mentorship](https://nailab.co.ke/our-programs/)

<https://nailab.co.ke/our-programs/>

Greenhorn Mentorship (Kenya)

Greenhorn was founded in 2008 with a vision to create future globally competitive leaders who span the public, private and the non-governmental sectors by pairing young dynamic minds with the best industry practitioners who have shown exemplary achievements in their respective career paths.

[Greenhorn Mentorship](http://greenhornmentorship.com/)

<http://greenhornmentorship.com/>

E-Mentoring Africa (Kenya)

E-Mentoring Africa was started with the aim of building a responsible society by imparting values, life-skills, integrity and professionalism to teenagers, youth, and young career graduates in Africa through mentoring.

[E-Mentoring Africa](http://ementoringafrica.or.ke/)

<http://ementoringafrica.or.ke/>

CcHub mentor network (Nigeria)

CcHUB is Nigeria's first open living lab and pre-incubation space designed to be a multi-functional, multi-purpose space where work to catalyze creative social tech ventures take place. Mentorship is part of the programs that CcHub organizes.

[CcHub Mentor Network](https://cchubnigeria.com/about/)

<https://cchubnigeria.com/about/>

The Ausso Leadership Academy (Nigeria)

The Ausso Leadership Academy (#ALA) was set up to mentor business executives and entrepreneurs to institutionalize and scale their businesses geometrically in order to maximize the jobs created, to enable shared prosperity.

[Ausso Leadership Academy](https://ausso-academy.com/)

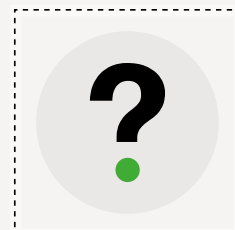
<https://ausso-academy.com/>

1.8. Ending a mentoring relationship

In concluding a mentorship engagement, it's beneficial for both you and the entrepreneur to reflect on the relationship, such as what went well, what went wrong, and so on. See below some potential discussion points.

SAMPLE DISCUSSION POINTS

- How the mentee has developed over the course of the mentorship
- What lessons you as a mentor have learned from the relationship
- The goals set out at the beginning of the mentorship engagement and the progress made
- Goals or focus areas not addressed, and why
- High and low points of the relationship
- Any challenges you worked together to overcome
- Whether you will maintain contact with each other into the future and, if so, how and when
- The next steps for the mentee



TIPS

Be honest and constructive with your feedback and listen carefully to what the mentee says because you can use that feedback for your next mentoring relationship!

KEY TAKEAWAYS FROM CHAPTER 1

- General Mentoring Process

- ✓ Mentoring is about asking questions to steer mentees in their decision-making
- ✓ It's a mutually beneficial relationship for both of you
- ✓ Trust, Clear expectations, Confidentiality, and Communication are the four building blocks of a productive mentor-mentee relationship.
- ✓ When you find a mentee, see if there is a natural click and then start discussing boundaries, which includes one another's expectations from the mentorship.
- ✓ Refer back to the four characteristics of a great mentor, the seven benefits of mentoring and the mentoring quick tips.
- ✓ Consider creating a formal mentorship agreement, or at a minimum record your and the mentees' expectations, goals, timelines, etc.

CHAPTER 2

MENTORING ENTREPRENEURS INTO THOUGHTFUL LEADERS

2.1. Understanding the entrepreneurial mindset

One thing nearly all entrepreneurs have in common is that they are dream actualizers. They have a dream which they aim to turn into a vision and bring to life. Turning that vision into reality is a long road with numerous ups and downs, often making it a lonely journey for the entrepreneur. Many family, friends and colleagues around a starting entrepreneur may not understand what s/he is doing, why they are doing it, nor believe in them, which is not easy.

The entrepreneur is almost always worried about money, whether it's to make it through the day, week, month ahead or beyond; the quest for money is also often distracting from running the day-to-day operations and going after sales. And entrepreneurs dedicate nearly all of their time to their work, sacrificing their personal health and sometimes other commitments in their lives.

Also, some entrepreneurs may be cocky, act defensively, have little self confidence, or they may be worried that someone will steal their idea. Getting to know an entrepreneur and his or her mindset and what type of person he/she is, is critical to do before beginning a mentor-mentee relationship.

As a good mentor, it is essential to be sensitive to the experience of the entrepreneur and to understand the priorities that drive their decision-making. A great mentor can help entrepreneurs confront some of their insecurities and manage different business priorities.

2.2. Assessing an entrepreneur

Assessing a potential mentee's personality traits, either formally on paper or informally, are key to knowing how to gauge your mentoring approach and where to focus your energy and guidance during the mentorship. Sometimes it only takes a single phone call to understand what kind of entrepreneur the person is, how serious they are, how well they know their business and financials and where they are in their entrepreneurial journey. But it is key to figure out whether the mentee is 'mentorable', or not. Dr. Laila Macharia, a mentor, serial entrepreneur, and Angel investor, says that humility and a willingness to listen is important for an entrepreneur, a potential mentee, to have.



“If you see any signs that your mentee is not the listening type, don’t waste your time.”

OLAYEMI KERI Group business mentor, Angel investor and co-founder of Rising Tide Africa

Next to being mentorable, Tomi Davies, seasoned business mentor, investor and adviser, identifies 8 key personality traits to look out for when assessing an entrepreneur to be a potential mentee.

8 PERSONALITY TRAITS OF AN ENTREPRENEUR TO CONSIDER BEFORE MENTORING



1. Level of motivation and passion

Is the entrepreneur motivated by making money or by their love for turning their dream into a business? Is the entrepreneur excited to have a mentor and show willingness to listen?



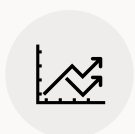
2. Risk appetite

What is the entrepreneur's level of willingness to take risks? Is he/she risk averse or daring?



3. Self-belief

Is the entrepreneur confident? Does he/she inspire those around him/her? Do they believe in their vision, in this business proposition and making it happen?



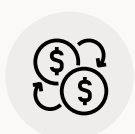
4. Flexibility

Entrepreneurs face many ups and downs and have to adapt. How flexible is the entrepreneur in adapting to changes facing the business?



5. Knowledge of their industry and place in the ecosystem

Does the entrepreneur have a good grasp on what's happening in the industry in which they are working and their business's place in it? How well do they know the competition, the applicable regulations, the sphere of influence around their business?



6. Money management

Is the entrepreneur good with money? Does he/she have a good idea of the business costs and planning for the future?



7. Planning skills

Can the entrepreneur plan effectively without falling into the planning paralysis trap? Are they focused on the short-term nitty gritty or can they also think of the bigger picture and plan longer term?



8. Connections

Connections do matter. What connections does an entrepreneur already have? Do they have the right connections they need to get their business off the ground?

According to Joel Patenaude, experienced business leader, active mentor and Angel investor of entrepreneurs across Africa and the US, there are generally two characteristic types of entrepreneurs out there.

One type is methodical and has a steady approach to the business, takes measured risks, is immersed in the business and knows all the financials inside-out and can answer any question about the business.

A second type tends to be more visionary, very optimistic and driven, likes to take risks and is less focused perhaps on the details, such as bookkeeping, etc. Both can be successful, but the first type tends to attract more success and funding.

2.3. Online resource: VC4A Startup Academy

There is an abundance of information to be found about the challenges startups face. As a mentor you can direct mentees to these resources. An important resource to you can refer to is the free VC4A Startup Academy where entrepreneurs can find learning video/audio material, transcripts, templates and quizzes.

The VC4A Startup Academy is offering direct access to expertise proven to work for successful entrepreneurs and investors operating across Africa. Founders can take their business to the next level by learning about the latest insights, download tools and listen to advice from 35 experts active in the African startup ecosystem.

The VC4A Startup Academy currently offers three courses, each focused on a different life stage of a startup business:

The first course is called, “Start your business”, and walks participants through the founding stage of the startup. Course two is “Grow your business”, and covers what’s needed after a startup finds its feet and is ready to scale up. And course three, is “Finance your business”, where entrepreneurs learn how to attract venture funding. In each of these chapters your mentee can find a buffet of modules that will allow them to select specific areas to dive into.

More information: [VC4A Startup Academy](#)

The screenshot displays the VC4A Startup Academy website interface. At the top left is the VC4A logo (Venture Capital for Africa). Navigation links include 'About the academy', 'How it works', and 'Back to courses'. The main content area is titled 'BUILD A GREAT TEAM' and lists several modules under '1 Finding a co-founder' and '2 Structuring relations with your co-founder'. The selected module is 'Introduction: Structuring relations with your co-founder' (Theory, 4:27min). Below this, there are sections for 'TRANSCRIPTS' (with language options: English, Français, العربية, Somali) and a 'Video' player area with a play button and a note about subtitle and speed settings.

2.4. Common Startup Challenges

There are many common challenges entrepreneurs face when starting up and the issues that the entrepreneur faces will vary from person to person, and company to company. While one entrepreneur may need mentoring guidance on governance, another may need support on establishing a corporate partnership and preparing for due diligence. It's important to note these challenges do not appear linearly in reality and an entrepreneur can have multiple challenges to tackle at the same time.

There are, in general, four elements an entrepreneur needs to move from dream actualization to a business, that is:

1. The business proposition and model (based on the vision),
2. The organization around the entrepreneur (the team and structure),
3. The economics behind the business proposition (capital, the product or service offering and market), and
4. The milestones (business planning) that need to be achieved to make it all a reality, including creating corporate partnerships.

Across the board, one of the things mentors can do is share information about these specific areas from their own experience, such as case studies or access to frameworks or tools, and then engage the entrepreneur with these insights and learnings. If you as a mentor have specific expertise in any of these areas, you can walk the founder through various approaches that have been used to tackle similar issues. Maybe an approach can be used again or the examples help to inspire new approaches and solutions needed to solve a problem.



“Mentoring helps to get out of your daily routine, make new connections and get new perspectives”

FAYELLE OUANE Managing Director at SUGUBA

2.4.1. Refining the business proposition and model

Turning the vision into a solid business proposition and working business model is the first big step in the entrepreneurial journey. Scoping and understanding the market, getting to know the customer base, competitors, potential partners, and more is essential to getting things started.

Sample Questions you can ask the mentee:

- How did you scope the market?
- How do you know if your product or service are needed?
- Is the business idea and plan feasible?
- Does the mentee demonstrate a thorough understanding of his or her sector?
- Is the mentee and his or her product, service and therefore the company capable of adapting to changes or uncertainties in the market?
- Does the mentee understand the legal and regulatory structures in place that affect his or her company?



2.4.2. The team and organization around the entrepreneur

As a mentor, you may be asked for advice and support regarding the important issue of governance of your mentee's company, to get a strong governing structure in place. Many entrepreneurs, particularly of startups, focus heavily on getting their business and product or service off the ground, and overlook the time and investment needed to develop a strong team, management and corporate governance model. As a mentor, this is where you can do a lot to help inform the entrepreneur of good habits and to serve as a soundboard on what is or isn't happening in the entrepreneur's efforts to run the business professionally.

Management team

The success of a company depends on the quality of the management team. The entrepreneur will be strong in particular areas but might be lacking in others. The mentor can help the entrepreneur critically assess gaps in management and can help identify key areas where the organization would benefit from additional talent. This can be used to frame thinking around co-founders and or filling key management positions. The type of management team members will vary according to the stage of growth where the mentee's company is at the given time.

Boards

If your mentee's company is a startup, they likely don't have, or need, a corporate board yet. Maybe they have an advisory board in place, but it's possible the startup has neither. That's 'ok' in the beginning, but as the company grows and seeks (and secures) investment, a corporate board will need to be established. You can probe them with questions to guide them to making the right decisions about when and how to set up a corporate or advisory board.

Legal and tax compliance

Once the mentee moves past the startup phase, ensuring legal compliance is essential to the company's ongoing sustainability and for any interested potential investors down the road. Being compliant protects the mentee, any other owners and of course the employees.



Sample Questions you can ask the mentee:

- What is the company's guiding ethos and the moral principles it is based upon?
- Which team profiles are best for the business?
- What is the hiring strategy to attract and retain the talent?
- Are the team members aligned with and believe in the vision?
- What is the company culture?
- How does the mentee envision the governance setup?
- How should the management team be structured?
- What kinds of personalities and expertise does the mentee want or need around them?
- Does the entrepreneur need a formal board, and/or an advisory board?
- What level of involvement does the mentee expect from the management team and the boards?
- What policies and procedures are in place to ensure transparency and accountability?
- What are the communication standards for communicating important decisions, underscoring transparency and accountability both internally and externally?
- What reporting is required to demonstrate compliance on the policies, procedures and principles?
- Which local and national regulations and laws affect the company and its product or service delivery?
- Which consolidated and harmonized sets of compliance controls can be integrated?
- Is the registered legal entity is sufficient for the current stage of the company
- What are the intellectual property protection needs and how can they be implemented?



“You want to teach the entrepreneur how to fish, not give the fish to them.”

STEPHEN GUGU CEO Viktoria Ventures (Kenya) and active mentor

2.4.3. The economics

You don't necessarily have to vet the business model or know all the technicalities of the financial statements. But you can help the entrepreneur by asking questions and thinking through the strategy, and by working through feedback and strategizing approaches and follow up with investors.

Fundraising

Fundraising is super hard for entrepreneurs. It's as much technical as it is emotional. It's 'emotional' because the startup is 'their baby' where they are investing a lot of time and energy and sacrificing personal/social life in some cases. It's 'technical' because they are venturing into business areas they are/may be inexperienced in.

Most entrepreneurs will - at some point - in their startup journey require outside funding. The ability to raise capital will be a determining factor in the make or break of a new business. When working with entrepreneurs, most mentors will therefore also come across the question of fundraising. As a business mentor, you may or may not have a good understanding the funding landscape, how the investors operate, which investors to seek out, etc. That's ok as well. Just be honest with the entrepreneur about your limits. You can always ask questions and think along!

Fundraising via the VC4A platform

Every entrepreneur with a company profile registered on VC4A.com has the ability to indicate that - without any cost - they are in the process of raising capital. They can upload their documentation, fill in a quickscan and fundraising history and then indicate the amount and type of finance they are looking for.

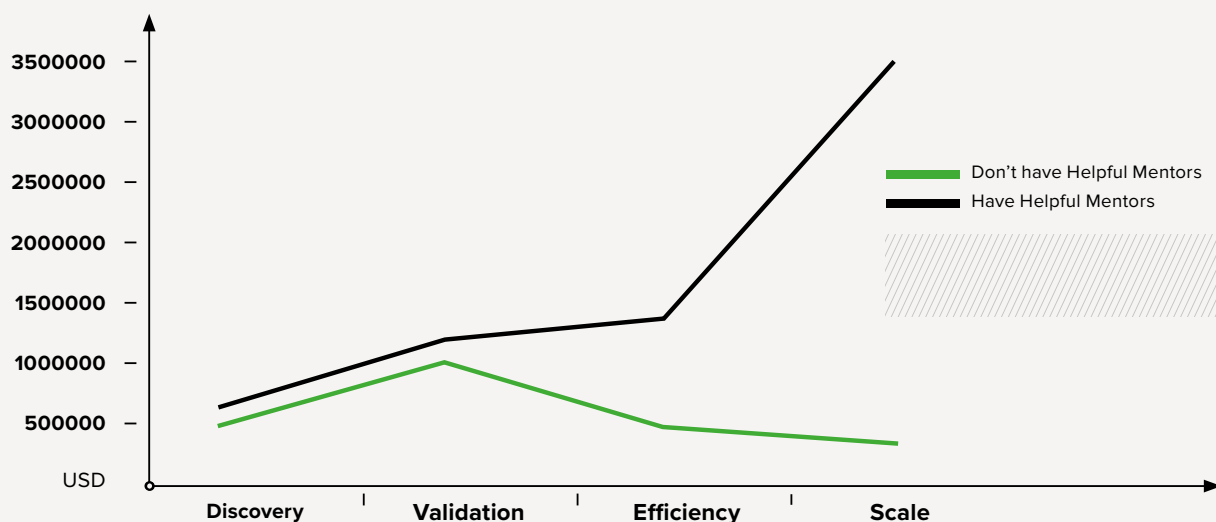
Here is an overview of what your mentee should do to set up a fundraising campaign, the next step needed to connect with the VC4A Investor Network: [VC4A Fundraising](#)

The VC4A team will review the information and approve the round when everything checks out. That is when the information becomes available for investors with a VC4A Pro Account. With the VC4A Pro Account members can discover new investment opportunities and receive tailored alerts, review investment needs, pitch deck, business plan and other supporting documents and then contact the entrepreneur directly for more information.

See: [VC4A Pro Account](#)

Fundraising support from mentors

In research conducted by Startup Genome and supported by Stanford University, startups who had the support of helpful mentors were able to raise more capital, so yes, your mentor guidance on accessing financing can be critical to your mentee.



Source: Startup Genome Report, Why Startups Succeed (2012), p. 45.

Sample Questions you can ask the mentee:



- Does the mentee have good financial statements?
 - What is the current cash flow?
 - What is the financial strategy?
 - Has the mentee identified the amount of investment the business needs? How did they calculate it?
 - Does the mentee have a 3-minute and a 10-minute pitch, supported by a pitch deck (presentation)?
 - Has the mentee rehearsed the pitches several times?
 - Which kinds of investors does the mentee want to target? Why?
-

Due diligence

If and when the mentee is on the pathway to likely securing investments, the investors will conduct due diligence.

Sample Questions you can ask the mentee:



- Does the mentee have the company legal and registration documents in order?
 - What about the stocks and securities documents?
 - Does the mentee have the information about employees and related parties organized?
 - Are the accounting and financial information and taxation documentation in order?
 - Are there any material agreements?
 - Is there any litigation which needs to be reported?
 - Does the mentee have any properties and insurances?
-

For a more complete checklist on preparing for due diligence, visit: [VC4A Due Diligence](#)

2.4.4. The milestones - the game plan and road ahead

The mentee has secured the first or second round of funding, so what's next? One of the key added values of a mentor is bringing the entrepreneur out of his or her day-to-day company bubble to think about the larger picture and the long-term.

Sample Questions you can ask the mentee:



- Where do you see yourself going in 2, 5, 10 years?
 - What is your ambition for the company?
 - What is your exit strategy?
-

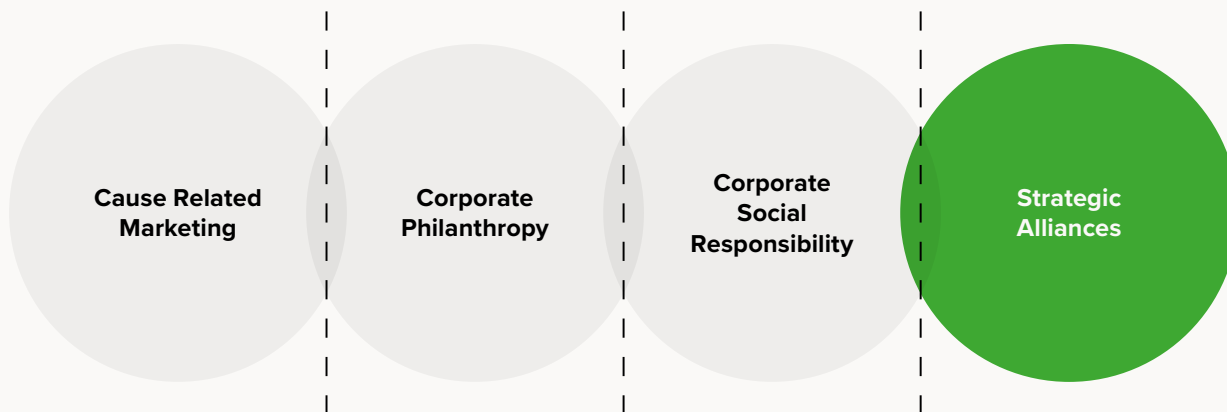
Corporate partnerships

For a growing startup, or any company for that matter, a corporate partnership may be the answer to many practical questions and issues for the smaller company. Yet, there are benefits for both parties.

From partnering with a smaller, more innovative and faster moving company like that of your mentee's, the larger corporate can gain fresh insights into latest technologies and developments, among other things.

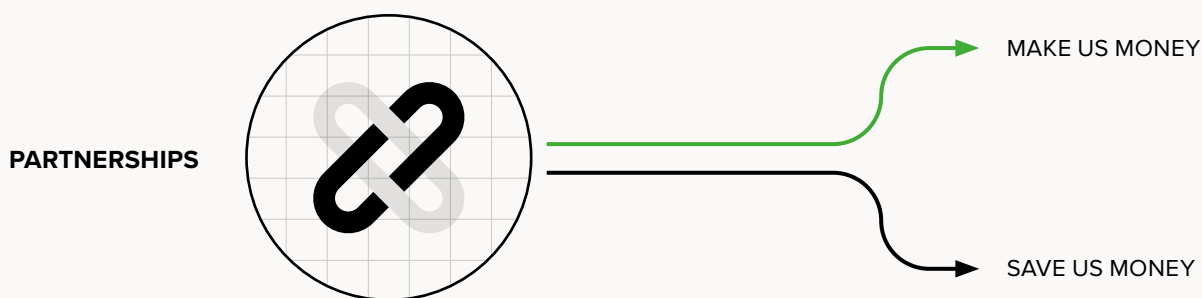
Making partnerships work

There are four types of corporate partnerships. Perhaps the most relevant one is 'strategic alliances' as this can lead to a win-win between the corporate and the startup, creating a long lasting impact for both sides when successful.



What makes corporates tick?

People working at corporates are looking for two things in partnerships. How can this 'Make us money' or how can this partnership 'Save us money'.



For large corporates, startups can plug into significant supply and demand value chains if the right partnerships are brokered. If you have some relevant industry experience and relationships, giving pointers to possible fits for corporate partnerships, can be useful and help to open doors for your mentee. However, showing the mentee the right languages and process is also very helpful as corporates can be "big elephants" due to their size and structure.



“It’s key to help the entrepreneur get access to corporate clients by making the right introductions at the right time to the right decision maker so the entrepreneur can tell the right message”

KENZA LAHLOU Managing Partner at Outlierz Ventures

6-Step framework: Mentoring startups to build partnerships

Needs Assessment

What is important to them? Do we fit? Where is the value to create?

First Meeting and Discovery

Who are we? Who are they? Where can we be? How to work?

Partnership Proposal

Here is what we can do. Here is the value we can create together.

Alignment

There is a fit, lets formalize ... loosely.

Proof of Concept

Let's try something small, see what works. Measure and learn.

Expand

It's working, let's make it bigger! Work on a detailed formalization of the collaboration and create a joint action plan.

Sample Questions you can ask the mentee:

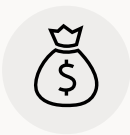
- What are the potential corporate partnerships possible which are aligned with the mentee's company's product/service offering, vision, sector, etc.?
 - What are the mutual benefits for each company, but especially for the mentee?
 - How will a partnership change the current company and employee dynamics, structure, costs, planning, and more?
 - How long will the partnership run? Is it transactional or longer term?
 - How are the responsibilities and reporting on progress or issues between the companies going to work?
 - What are the legal and regulatory, and intellectual property, implications?
 - Due diligence
-



2.5. Challenges for entrepreneurs throughout Africa

The specific day-to-day challenges for entrepreneurs naturally vary in degree depending on where the entrepreneur is operating. Throughout Africa, entrepreneurs share many of the same challenges as entrepreneurs in the US or Asia, such as accessing capital and establishing good governance, but there are also some additional factors which entrepreneurs throughout the continent have to deal with when running their companies. Circumstances vary from one African country to the next, but here is a list of the most common challenges African entrepreneurs and startups face.

7 MOST COMMON CHALLENGES FOR AFRICAN STARTUPS



Access to capital

Accessing finance is a shared challenge among entrepreneurs, whether in Silicon Valley, Nairobi, Johannesburg, Lagos or anywhere else. The ecosystems in each country certainly vary. For example, while there are ample wealthy investors based in Cape Town, Lagos, and Nairobi there are fewer in Dakar, Accra and Kampala.



Developing, but limited infrastructure

While the overall infrastructure across Africa is steadily improving, it is still limited. Regular power outages and irregular or expensive internet connections, fractured transportation networks and roads, and more, affect a new business's ability to develop, sell and transport products at low cost.



Young, inexperienced labor market

Finding the right people for a team is challenging. From education to experience, getting people with the right skills for the right price is not easy. Often, the high performing students tend to go work with the corporates in country instead of for the startups. On the other hand, for instance in Nigeria, there is a large young labor force. For example, there are many young program developers interested in working for companies, but they often lack sufficient work experience and many companies turn to outsourced solutions instead of employing inexperienced youth or expensive experienced developers. The upside is, in several years time, these young people will amass the experience and the labor market will benefit greatly.



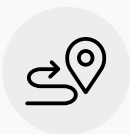
Inadequate laws and regulations

Unclear, complex, or inadequate tax, property, IP, trade, tech and any number of laws and regulations have a direct impact on businesses. While some laws and regulations may be weak, others may be overly strict, both resulting in too much time and extra costs spent navigating the ins and outs of starting and running a business. Starting entrepreneurs also don't always have the resources to hire lawyers or specialists to understand and comply with the laws.



Corruption

Unfortunately corruption is pervasive in much of the world and most countries in Africa are not exempt from this. Trying to run a legitimate business in the face of corruption, having to pay bribes, and more, can be very difficult. It can sidetrack an entrepreneur's focus from the business.



Cross-border factors

Complex cross-border factors include language, customary and cultural differences to inefficient banking between countries. These complications have to be worked around and may impact both time and costs for entrepreneurs.



Gender-related issues

Across Africa (as around most of the world), the reality is that women still face a number of gender-related hurdles in comparison to men. The gender imbalances originate from a number of sources, including cultural, customary and patriarchal social norms. While this is changing for the better in most places, women entrepreneurs are not excluded from this additional challenge. For instance, women entrepreneurs often experience gender bias when negotiating deals, or accessing venture capital and debt capital. Women entrepreneurs regularly feel like they are not taken seriously when talking about their business and product or service to a man. Women are also less likely to network as frequently as men, due to the stigma of going out alone to an event, for safety reasons, or due to the need (and/or expectation) of taking care of family and household tasks. Gender plays an undeniable role in the ease with which women entrepreneurs around Africa can startup and scale their businesses.

While these challenges are indeed a reality, they are not impossible to overcome, as we see robust and maturing startup ecosystems developing across the continent, including many women-led companies. Organizations like Rising Tide Africa and She Leads Africa are bringing women together, planning networking events and increasing women's access to capital, among other things, to mobilize women entrepreneurs and counter the gender-related challenges many African women entrepreneurs face.

The African continent is unbelievably diverse. With 54 different countries, entrepreneurship is happening across thousands of different cultures. And where there are indeed commonly confronted issues, any mentor should be smart enough to know that each entrepreneur, each business case, and each situation is wholly unique. At the end of the day, your role as a business mentor is to ask the questions and think along with the entrepreneur so they can overcome the challenges they face and to deal with, and overcome, any setbacks they experience.



Sample Questions you can ask the mentee:

- Does the mentee have the company legal and registration documents in order?
 - What about the stocks and securities documents?
 - Does the mentee have the information about employees and related parties organized?
 - Are the accounting and financial information and taxation documentation in order?
 - Are there any material agreements?
 - Is there any litigation which needs to be reported?
 - Does the mentee have any properties and insurances?
-





“Don’t push too hard as a mentor:
wait for the pull and don’t put extra pressure on
the entrepreneur”

KHALED ISMAIL Founder of HIMangel

6 THINGS NOT TO DO AS A MENTOR



Do not expect the mentee to listen to and act on everything you ask or say

You have no control over what the entrepreneur does. They have complete free will to act on your advice, or not. Don’t take it personally if they do something else than what you suggested.



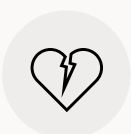
Do not assume a larger role and do the entrepreneur’s work for them.

As a business mentor, your primary focus is on the mentee’s capacity development to run their business and you are there as a guide to steer them in making decisions for their business. If they ask you to write part of their business plan or to do a cash-flow analysis, re-clarify your role as a mentor and note that this is the crossing of a boundary into the commercial area of paid consultancy work.



Do not act as a personal therapist (counsellor)

Personal issues can definitely affect any entrepreneur, but you are not there to listen to them speak about issues in their personal life ad nauseum. If you think they could benefit from a personal counsellor, suggest or recommend one.



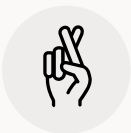
Do not breach the entrepreneurs trust (and don’t let them breach yours!)

Respect the entrepreneur and what they’re doing. Trust is the fundamental basis of a good mentoring relationship and if you, or they, cross this boundary, the mentorship relationship should likely be ended.



Do not give advice if you don’t know what you’re talking about

Nobody knows everything and it’s better not to give advice outside of your comfort zone of knowledge and experience. Consider providing resources or connections to others who may be able to help.



Do not make promises you can’t keep

Don’t make promises that you will invest in the mentee’s company if this is not something you seriously consider. Doing so jeopardizes the foundation of trust of the mentorship relationship and only hinders the entrepreneur’s efforts.

KEY TAKEAWAYS FROM CHAPTER 2

- Mentoring entrepreneurs into thoughtful leaders

- ✔ Always keep in mind the journey of an entrepreneur is not an easy one. Get to know the entrepreneur before mentoring and assess his/her personality traits to see where you need to focus your time and energy in guiding them.
- ✔ Entrepreneurs face a common set of challenges when starting up and entrepreneurs throughout Africa confront additional impediments on a day-to-day basis. Using your experience and networks, ask the questions and provide the useful resources to guide them through these challenges.
- ✔ Remember the 6 things NOT to do as a mentor



“Many times the answer is lying in the head of the entrepreneur already, they mainly need someone to facilitate them to process it”

DANAI MUSANDU Investment Associate at Goodwell Investments

ANNEX 1

TOOL: PRE-MENTORING NEEDS ASSESSMENT QUESTIONNAIRES FOR MENTORS AND MENTEES

Questions to answer or think about for the mentor

1. How much time do I have to dedicate to mentoring? How often should we meet?

2. In which areas do I feel confident to providing mentoring guidance?

3. What are my expectations from the mentee and what are my own boundaries?

4. What will I do if there is a conflict of interest?

5. Do I feel a 'click' with the mentee? Do our core values align? Can I get behind the mentee's entrepreneurial vision?

6. Where do they land on the 8 personality traits? What appear to be their main weaknesses and strengths?

7. Am I also open to being a commercial adviser or Angel investor to the mentee and his/her company?

Questions to answer or think about for the mentee (entrepreneur).

NOTE: Be sure to share these with your mentor!

What do I want to get out of the mentoring in general?

2. What are the top 3 areas where I need mentoring guidance right now?
Prioritize from most important to lesser important.

3. What is working well in my company? What isn't working well?

4. What are top 3 biggest changes do I want to see this week, this month, 3 months from now, 6 months from now, 1 year and 5 years from now? You don't need to abide to these timeframes, but think both short- medium- and long-term.

5. What are current barriers I am confronting?

6. What are my expectations from the mentor?

7. How much time do I have to dedicate to the mentorship and preparing for each mentoring session?

8. What are my boundaries? What am I willing to share and NOT share with the mentor?

9. What are my main weaknesses and strengths?

10. What is my entrepreneurial vision?

ANNEX 2

TOOL: TEMPLATE FOR MENTORSHIP AGREEMENT

Business Mentorship Agreement

Mentor Name

Mentee Name

Date

We agree that (Date) _____ is the start date of the mentorship period.

We agree to (Period, i.e. 6 weeks, 6 months, 1 year) _____
for the duration of the mentorship, which is subject to change according to the wishes
of both parties.

We agree to meet (Frequency) _____
and (How, i.e. face-to-face) _____ with the option of
(occasional messaging in between, specify). _____

We are committed to working towards the following goals:

1. _____
2. _____
3. _____

We are committed to working towards the following goals:

1. _____
2. _____
3. _____

We agree the following terms for changing or ending the mentorship:

Signed (mentor):

Signed (mentee):

ANNEX 3

TOOL: POST-MENTORSHIP QUESTIONNAIRES FOR MENTORS AND MENTEES

Mentor Feedback

1. The mentee was committed to the mentorship. Yes/No. Explain.

2. Together we tackled the following items during the mentorship.

3. We achieved the goals set out at the beginning of the mentorship. Yes/No. Explain.

4. We achieved the desired outcomes. Yes/No. Explain.

5. What worked and what didn't? Be specific.

6. Overall, how do I rate the quality of the mentorship? 5 - highest, 1 - lowest.

7. I recommend that the mentee focus on the following next steps.

ANNEX 3

TOOL: POST-MENTORSHIP QUESTIONNAIRES FOR MENTORS AND MENTEES

Mentee Feedback

1. The mentor was committed to the mentorship. Yes/No. Explain.

2. Together we tackled the following items during the mentorship.

3. We achieved the goals set out at the beginning of the mentorship. Yes/No. Explain.

4. We achieved the desired outcomes. Yes/No. Explain.

5. What worked and what didn't? Be specific.

6. Overall, how do I rate the quality of the mentorship? 5 - highest, 1 - lowest.

7. I would recommend this mentor to other entrepreneurs.

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