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Scale Up!

Entrepreneurs’ Guide to Investment in Ghana

Scale Up!

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Foreword

In 2019, the IMF is expecting a 7.5% GDP growth rate making Ghana one of the fastest growing countries worldwide. Ghana has cemented its position as an attractive destination for Foreign Direct Investment (FDI), ahead of neighbouring Nigeria, by attracting FDI commitments to the tune of well over US$ 3.5 billion in 2018. Ghana is resource rich nation. Formally, known as the Gold Coast, Ghana is still one of the largest producers of gold worldwide. Along with its other mining activities, Ghana also extracting oil and gas from its recently discovered offshore fields. In addition Ghana and Côte d'Ivoire combined produce 60% of the world's cocoa output. Ranked as the most stable political environment within the West African sub region and fifth in Africa Ghana is seen as gateway to access to over 350 million people living in the Economic Community of West African States (ECOWAS). Ghana's relative wealth and high growth as well as its stability has made it an attractive destination for business and investments in West Africa.

Most entrepreneurs suffer from limited access to business advice, talent, markets, and capital. These constraints are even higher for those who are young, female, or live outside of the metropolitan regions. One of the key challenges for start-ups, SME and SGB is to find the right financing option, and work on the specific due diligence requirements of these instruments. The companies lack the information but also the capacity to assess them-selves and the internal processes that must be in place in order to meet the requirements of the investing parties. That's why it's crucial to provide guidance and information for those companies on how to assess the stage of their business and what financing and support options are available on the market. This guide aims at helping those companies to understand and navigate the variety of financing options in the Ghanaian market.

These include diverse mechanisms such as grants, seed funds, angel investment, impact oriented venture capital, debt, etc. Furthermore, the guide outlines requirements, investor expectations as well as investor types in an easily accessible way, and offers practical support to entrepreneurs in asking the right questions when approaching an investor. Since the authors are from the entrepreneurship development organization Intelligent Capital the guide benefited from the embracing network and contact as well as the experience with regard to start-ups and SGB support Intelligent Capital has on the ground. At this point we would like to thank Leticia Browne and the team from Intelligent Capital who shared their knowledge and experience for this guide and have proven to be experienced partner in navigating through the finance landscape in Ghana. In order to create a comprehensive overview, we reached out to more than 37 financing partners who present their portfolio and requirements in this guidebook and compiled information as well as 12 incubation and acceleration programmes.

The Ghanaian Investment Guide was created on behalf of the GIZ-Programme Make-IT in Africa, which developed such a guide already for Côte d'Ivoire, Ethiopia, Kenya and Nigeria. The print version will be also available as an interactive online version under *www.investment-guide-africa.org*. Based on a quick self-assessment tool, the online version will guide entrepreneurs to find the best-suited financing mechanism, and identify potential financing partners. We will frequently update the guide to include new financing partners, and improve the methodology based on your feedback. So, please, don't hesitate to contact us via *make-it@giz.de*.

Dr. Jan Schwaab
Head of Programme
Tech Entrepreneurship Initiative **Make-IT in Africa** (GIZ)

Contents

Glossary

Accelerator | A programme that takes in relatively early-stage start-ups, helps them develop their product, providing mentoring and teaching, and access to a network of potential investors or partners; at the end of the programme, the accelerators typically put on a pitch day during which companies can pitch their services to investors. As a key difference from incubators, accelerators usually have a set timeframe from a few weeks to a few months.

Angel investors | High net worth individuals with disposable income who like to invest part of their portfolio in start-ups. Usually they would invest their cash, time for coaching and mentoring and make business introductions.

Business plan | A detailed outline of your business, including the problem it is solving, the strategy for growth, revenue projections, marketing strategy, team profiles, and more.

B2B – Business to business | Business that aims to sell products and services to other businesses.

B2C – Business to consumer | Business that aims to sell products and services to consumers.

CAPEX – Capital expenditure | The funding needed to invest in assets that your business needs to get off the ground (e.g., computers, stock, machinery), or improving these assets

Capitalization table | Also referred to as the cap table. This is a simple breakdown of who owns how many shares in the business, and the ownership percentage that corresponds to.

Collateral | An asset (machinery, vehicle, etc.) used as a security when taking out a loan.

Convertible note/debt | Short-term debt that may or may not convert to equity in a future financing round. Commonly used to defer the valuation discussion to when an early-stage company has historical financials to guide the valuation process.

Crowdfunding | Raising (typically) small amounts from a large group of people.

Debt financing | Effectively a synonym for a loan, debt financing means accepting capital with the promise of repaying the principal and interest.

Due diligence | The homework that investors conduct on a business before they invest; this can include reference checks, a deeper dive into your business model and financials, and studying the market you are in.

Equity | Ownership stake in a company.

Exit | A way for existing company shareholders to realize their returns; typically, this is done via an acquisition (trade sale), an initial public offering on the stock exchange (rare in Ghana), or secondary sale of shares.

Grant | Type of funding that typically does not obligate the recipient to repay the funds; usually, the money can only be used in the way agreed to prior to disbursement.

Incubator | Similar to an accelerator, an incubator takes in early-stage companies and helps them to narrow down their business idea and connects them to a network of partners and funders; incubators focus on very early stage start-ups, however, helping them build on an idea, instead of coming in when a start-up already has a product or service.

IPO | Stands for ‘initial public offering’ and it basically means that a company starts floating on the stock market, selling a significant number of their shares in the process of institutional and non-institutional investors. These large companies are that Venture Capitals dream of, as they often provide large sums of capital to all parts involved (founders, early employees and investors).

IRR – Internal rate of return | A measure, expressed as a percentage, used to evaluate the profitability of an investment.

Pitch deck | A slide presentation that gives a breakdown of your solution, the market opportunity, your team, and your financials.

Principle | The original loan amount, without interest.

Profit | This is the company's bottom line, which is all the money made from sales of its product or service, minus expenses, taxes, depreciation, and operating costs.

Revenue | This is the company's top line, which means it is the money generated from all activities of the company in a given time period.

Revenue based financing | A type of funding where a percentage of revenue is returned to investors until they reached a predetermined figure.

SAFE | A safe is a simple agreement for future equity. An investor makes a cash investment in a company, but gets company stock at a later date, in connection with a specific event. A safe is not a debt instrument, but is intended to be an alternative to convertible notes that is beneficial for both companies and investors.

Secondary sale of shares | A way for existing investors to realize their returns; this is different from a primary sale, in which a start-up issues new shares to an investor.

SME – Small and medium-sized enterprise | Company classification that is defined differently by different countries; in Ghana. The National Board for Small Scale Industries (NBSSI), defines small enterprises as those employing between 6 and 29 employees or having fixed assets excluding land and building not exceeding $100,000 and; a medium enterprise employs between 30 and 99 employees with fixed assets of up to $1m.

Start-up | A company or project initiated by an entrepreneur to seek, effectively develop, and validate a scalable business model.

Tenor | The amount of time until a loan is due to be repaid.

Term sheet | The document investors present to a company they are interested in funding; this will include details of what form of investment the investor wants to make and the terms of such an investment. Term sheets can be issued for convertible notes, equity investments and other forms of investments.

Unit economics | The costs and revenue made per product or service sold; this is important for businesses to understand and project how per unit costs and revenues will change as the business grows and acquires more customers.

Valuation | The value of your company before (pre-money) or after (post-money) a funder invests in your business.

You may have taken note that the glossary provides clear distinctions between start-ups, SMEs, entrepreneurs and business owners. It is important for these terms to be defined as each one has different needs and requires a different approach and attracts different types of support and financing. Putting this into context a business owner in Ghana could be selling IT equipment or providing services, such as repairing computers, phones or laptops or selling software whereas an entrepreneur is typically developing a solution to solve a problem where the market may not be clearly defined and therefore success is not guaranteed.

There are few instruments available for tech start-ups in Ghana. However, Ghana is being recognized as an interesting investment location for a number of regional and international early stage funds. It is also important to mention that some start-ups may qualify for sources of funding developed for SMEs dependent on the business model.

Introduction

All over the world, entrepreneurship is increasingly being recognised as a key driver of job creation and economic growth. Successful entrepreneurs are celebrated as luminaries, and the entrepreneurial mantra of accepting and learning from failure is being adopted by organisations of all sizes. In other words, it is a great time to be an entrepreneur.

This Entrepreneur's Guide is designed to provide early to mid-stage entrepreneurs operating in the tech sector with the information required to navigate the Ghanaian entrepreneurial ecosystem.

We do this in several ways:

Chapter I provide an overview of funding instruments, highlighting advantages and disadvantages of each.

Chapter II breaks down the different types of investors that are covered in our guide. We examine 9 types of funders, and present other information about them, including typical funding sizes and the services that each offers in addition to funding.

Chapter III continues on this to discuss, in more specifics, what happens when entrepreneurs approach various types of investors. This includes an overview of the information that different types of funders will need, the typical phase at which to approach each type of investor, and what to expect in their interactions with the investors.

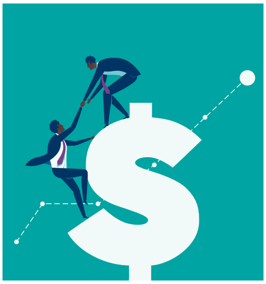
Chapter IV shares **Ghana-specific** insights based on our conversations, research, and data analysis. This chapter will give entrepreneurs a better understanding of the entrepreneurial ecosystem of their country. It will highlight potential perils to look out for, and opportunities to take advantage of.

Chapter V is the Investor Directory – a look at 37 investors that are actively funding Ghana's emerging tech start-ups. In addition to providing basic information about who they are, how long they have been around for, and the types of companies they invest in, we also show more unique and insightful information, including average investment size, type of funding offered, and what benefits they provide post-funding.

Chapter VI concludes by providing an overview of the guide and providing further sources of information.

In other words, the first part of the guide is meant to answer the how of fundraising, while the directory is meant to answer the who. Although this is a comprehensive guide we have also listed some additional resources that will provide all of the information needed to embark on an entrepreneurial journey.

Having introduced the purpose and the methodology, the rest of the guide is structured as follows:



Chapter I

- Overview of funding instruments
- Advantages and disadvantages of each funding instrument

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- Overview of 9 types of investors
- Typical amounts of funding
- Typical instruments of funding
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Chapter III

- Raising capital overview
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- Strategies to pitching
- When to approach investors

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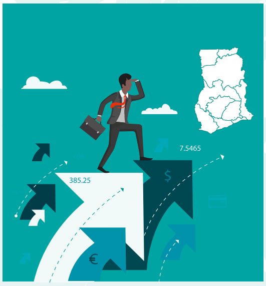

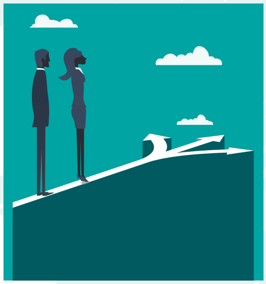

Chapter IV

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- Entrepreneurship education in Ghana
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- Directory of 12 accelerators, incubators and programs that provide funds
- Directory of 37 capital providers in Ghana

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- Key takeaways
- Useful start-up Resources

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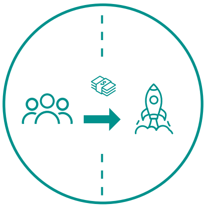
Chapter
Funding Instrument Overview

Chapter I:
Funding Instrument Overview

One of the first and most important decisions that entrepreneurs will need to make when raising money is deciding what type of capital they need. In this guide, we cover four types of funding: grant, debt (loans), equity, and mezzanine (a mix of debt and equity). One or a mix of these four types of funding will apply to most entrepreneurs in Ghana, as well as in other countries.



GRANT

Type of funding that typically does not obligate the recipient to repay the funds

See page 20

DEBT

Type of funding that founders or entrepreneurs borrow and need to repay, usually with interest

See page 22

EQUITY

Type of funding that founders need to give up a portion of their company to obtain

See page 24

MEZZANINE

Type of funding that combines debt and equity features

See page 26

REVENUE BASED FINANCING

Type of funding where a percentage of revenue is returned to investors

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SAFE

Type of funding where a simple agreement for future equity is made

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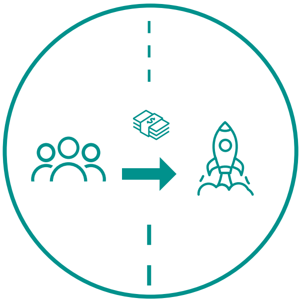


GRANT

A **grant** refers to a type of funding that typically does not obligate the recipient to repay the funds or makes any financial claim on a business in return for providing the funds. This includes everything from grants offered by national and international organisations as well as foundations, to prizes and awards offered by competitions, as well as donation-based crowdfunding campaigns. Grants are typically the most straightforward form of funding.

The amounts that organisations grant to businesses vary widely, ranging from thousands to millions of dollars. Most common grants, however, tend to be on the smaller side – typically under GHS 50,000 (USD 10,000). This makes them most appropriate for early stage start-ups and entrepreneurs or more established entrepreneurs seeking capital to ease cash flow constraints.

Typically, organisations making the grant will put out a call for applications, inviting interested businesses to pitch their ideas. Applicants will need to show how their business or idea is relevant to the grant. A judging panel then narrows down the field to several finalists and the winner or winners are chosen from there.

While organisations that fund grants typically do not expect any sort of financial return (i.e., a stake in the business, or a promise of repayment), they will often check on the grantees to ensure the money is being used for the intended purpose, both during and after the grant has been disbursed. Some organisations release grant payments in stages to ensure the company is working towards its stated goals.

ADVANTAGE

→ *no requirement to pay back*
→ *funders have little influence in day to day operations of business*

DISADVANTAGE

→ *hard to grow networks or get targeted mentorship*
→ *time-consuming post-funding reporting is sometimes extensive*
→ *providers of grants can be inflexible in accommodating start-ups that need to pivot from one business strategy to another*

DEBT

Debt financing is one of the most common ways to get funding in Ghana and elsewhere. In simple terms, debt financing means an entrepreneur takes out a loan from a financial institution, which he or she promises to repay within a predetermined time period and subject to an agreed interest rate.

Debt funding can come from various types of funders, including banks, online and mobile lenders, peer-to-peer crowdfunding, impact investors, development finance institutions, microfinance institutions, and others.

As entrepreneurs need to pay interest on their loans, typically in monthly installments, debt financing is best suited to more mature businesses with stable cash flows. The amount of funding that an entrepreneur can expect to borrow depends on two factors. The first is the type of organisation he or she is turning to: a bank or impact investor will be able to offer a larger loan than a microfinance institution (MFI). The second factor is the amount of debt the business will realistically be able to take on. Early stage start-ups with no product and no customers, for example, usually cannot (and should not) borrow much, while more established companies with proven cash flows will be able to tap into larger pools of credit.

In order to apply for a loan, entrepreneurs will need to show a business plan and financial projections, which are meant to demonstrate how the borrower plans to repay the debt.

When taking out a loan, borrowers typically focus on two key aspects of the financing structure: the interest rate and the tenor (the time until the entire loan must be repaid). The interest rates are seen to be correlated with the riskiness of the borrower – the less likely he or she is to pay back, the higher the interest rate a lender is going to charge for taking on the additional risk. The rates are also determined by the central bank's prevailing interest rates in the country.

In case of default, lenders get first claim on any assets the business has, meaning this is typically seen as a safe financing structure from the lender's side, when compared to equity investment.

ADVANTAGE

→ *no need to give up ownership in company*

DISADVANTAGE

→ *often lenders will ask for collateral (In Ghana only possible with immovable collateral)*
→ *repayments payments can be difficult to make for cash-strapped start-ups*

Debt financing can come in two forms: secured and unsecured loans. Secured loans are a financing instrument in which the entrepreneur offers some asset as collateral, making the loan less risky for the lender. This could, for instance, be a car or debenture over assets that the lender will be entitled to if the borrower defaults on the loan, offsetting some of the risk for the lender and thereby reducing interest rates. Unsecured loans do not have such protections for the lender, and therefore have higher interest rates.

EQUITY

Equity financing means an investor puts money into a start-up, in exchange for a portion of the company's shares. This means the investor becomes a part owner of the business.

Equity investment varies in amount, depending on the entrepreneur's needs. It includes everything from relatively small (less than GHS 50,000 or USD 10,000) injections of capital from family members or angel investors, to large deals financed by private equity firms that run into millions of dollars.

Prior to making an investment, equity investors go through a detailed screening process, commonly referred to as *due diligence*. At this stage, they look at the potential for a start-up to grow into a highly profitable business. Most equity investors understand that the majority of start-ups fail; therefore, they look for growth potential rather than steady cash flows. Equity investors like to back tech start-ups because of their ability to scale with relatively low capital requirements compared to traditional brick and mortar businesses.

In order to receive equity investment, entrepreneurs will typically need to have an extensive business plan, with strong financial models showing growth projections, competitor analysis, proposed approach to marketing, and more.

Equity is the riskiest type of financing for investors, as the funders stand to lose their entire investment should a company fail.

ADVANTAGE

- → *patient capital without the need for instant repayment*
- → *investors have an incentive to be as helpful as possible by providing mentorship, advice, and connections*

DISADVANTAGE

- → *misaligned time horizons: start-ups building for the long term while investors want to exit quickly*
- → *control mechanisms can mean entrepreneurs are no longer the sole decision makers*

Note that SMEs are also eligible for equity funding, depending on the scalability of their business model. Investors base their decision on whether SMEs can grow into large enterprises and become a market leader in their segment.

MEZZANINE

Mezzanine is a hybrid instrument and refers to financing that sits between equity and debt (hence the name), and combines aspects of both types. It is popular in some countries because it shields investors from certain risk associated with pure equity investment, while still providing upside if a business becomes highly successful.

To raise mezzanine finance, a company must have a credible track record in the industry, consistent profitability, and a feasible plan for expansion through an initial public offering (IPO) or acquisition.

Thus, mezzanine finance is used by companies that have a positive cash flow. There are several reasons why investors and entrepreneurs may want to issue convertible notes instead of debt or equity. For the investors, it provides a level of protection in case the money is used in a fraudulent way – they have the right to pursue the debt issued (typically this is at 0% rate, so they will attempt to recoup their investment).

For entrepreneurs who expect their company’s equity to be worth more in the future, issuing a convertible note likely minimises their share dilution. Both investors and entrepreneurs are also likely to benefit from kicking the can on valuation to a later point, when an institutional investor comes in. While convertible notes can be difficult to understand, the key thing to keep in mind is that the amount an investor puts in as debt will be converted to equity at a later point, to be defined in the contract. The share price will determine how many shares that funding injection will be converted.

To give a very brief example: a founder and an investor agree to a USD 50,000 convertible debt at a discount of 20%. This means that when the company raises money in the next round, the early investor is able to purchase shares at 80% of what they are worth. If, for instance, the shares are priced at USD 1 each in the next round, the investor will be able to purchase them for USD 0.80. That means instead of buying 50,000 shares at USD 1 each for the USD 50,000 lent in the convertible note, the early investors will actually be able to purchase 62,500 shares (USD 50,000 / USD 0.80). There are other considerations and clauses that can be agreed upon, including a valuation cap.

An in-depth overview of convertible notes is outside the scope of this guide, but there are plenty of online resources, books, and individuals who will be able to walk entrepreneurs through the complexities.

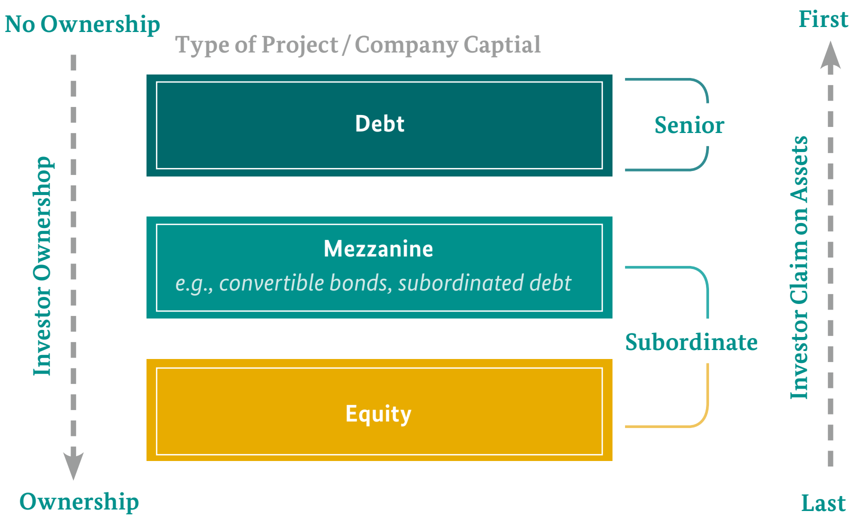
ADVANTAGE

- → *mitigates risk for investors, meaning better funding terms than straight equity*
- → *can delay valuation of start-up which is imprecise in early stage companies*

DISADVANTAGE

- → *entrepreneurs may need to make regular payments to funders*
- → *can be overly complex and expensive to arrange*

This graph shows how mezzanine funding relates to equity and debt. It is riskier than debt but gives investors more protections than equity financing – it sits between the two, hence the name.



Source: http://pdf.wri.org/glossary_of_financing_instruments.pdf

REVENUE BASED FINANCING

Revenue-based financing, is a type of capital-raising method in which investors agree to provide upfront capital to a company in exchange for a certain percentage of the company's ongoing total gross revenues. It is an alternative investment model that sits between equity and debt.

Revenue-based financing is an attractive method of raising capital for companies and is becoming increasingly popular. Your monthly repayments will be attached to the performance of your business making the financing a variable cost rather than a fixed cost to the business. Furthermore, relative to debt and equity financing, revenue-based financing is a much easier process that requires less documentation. Three parameters are usually agreed upfront besides the sum to be provided: the total amount to be repaid over time, the percentage of revenue shared with the provider of financing, and the payment frequency. Usually monthly, weekly or daily.

Revenue-based financing seems similar to debt financing because investors are entitled to regular repayments, however, revenue-based funding does not involve interest payments. In a revenue-based financing investment, investors receive a regular share of the businesses income until a predetermined amount has been paid. Typically, this predetermined amount is a multiple of the principal investment and usually ranges between three to five times the original amount invested. Also, in revenue-based financing, a company is not required to provide collateral to investors. In addition there may not be a requirement from the investor for a board seat.

ADVANTAGE

→ *no requirement for collateral*
→ *no transfer of ownership stake to investors*
→ *easier process, less documentation*

DISADVANTAGE

→ *you will need to be generating revenue on a monthly basis to qualify*
→ *you will also need to plan for a consistent reduction in your monthly revenue*

SAFE

A safe is a simple agreement for future equity (**SAFE**). An investor makes a cash investment in a company, but gets company stock at a later date, in connection with a specific event. A safe is not a debt instrument, but is intended to be an alternative to convertible notes that is beneficial for both companies and investors.

The SAFE was created by Y-combinator and has been adopted by early stage investors across board. The following description has been taken from Y-combinator. Most start-ups need to raise money soon after formation in order to fund operations, and the safe can be a vehicle for investors to fund companies at that very early stage. Unlike the sale of equity in traditional priced rounds of financing, a company can issue a safe quickly and efficiently, without multiple documents and the necessity of a charter amendment. As a flexible, one-document security, without numerous terms to negotiate, the safe should save companies and investors money and time.

The investor and the company agree on the valuation cap, mutually date and sign a safe and the investor sends the company the investment amount. What happens next? Nothing, until the occurrence of one of the specific events described in a safe. In the meantime, an outstanding safe would be referenced on the company's cap table like any other convertible security (such as a warrant or an option).

ADVANTAGE

- → *easier process, simple and standardized term-sheets readily available online*
- → *cost effective, less resources required and legal fees*
- → *no maturity date, able to raise cash without setting a new deadline*

DISADVANTAGE

- → *typically only used by experienced early stage investors*

Chapter
Investor Overview

II

Chapter II: Investor Overview

There are various types of investors across Ghana. The table below provides a brief description of each type of funder, including typical funding amounts and non-financial benefits that you can expect from each type of funder before providing a more detailed overview of each.

INCUBATORS AND ACCELERATORS

Work with early-stage start-ups to help them refine their idea/product, and coach them on how to realize their vision

See page 36

ANGEL INVESTOR NETWORKS

Member organisations that recruit individuals with spare cash who are interested in investing in small businesses

See page 37

FOUNDATIONS

Organisations that fund projects or companies that are within their sector of focus; typically, philanthropic in nature

See page 39

PUBLIC / SEMI-PUBLIC FUNDERS

Local, federal, and international organisations that have a mandate to promote entrepreneurship or fund small businesses

See page 40

BANKS

Well-known financing entities that are typically wary of investing in small companies; some, however, are looking to lend to more small businesses

See page 41

IMPACT INVESTORS

Varied group of funders that look for social/environmental returns in addition to/instead of financial returns on their investment

See page 42

CORPORATES

Companies that fund small businesses as part of their corporate social responsibility drive, or set up own venture funds

See page 46

VENTURE CAPITAL FIRMS

Companies that raise outside capital to invest in small businesses and start-ups

See page 47

PRIVATE EQUITY FIRMS

Companies that raise outside capital to invest in later-stage businesses, often funding deals of millions of dollars

See page 49

INCUBATORS AND ACCELERATORS

Typical funding instrument: *Grant + Equity*

Typical funding amounts: $10,000 - $30,000

Non-financial benefits: *office space, mentoring and training, networking events, facilitating connections with potential partners and investors, peer to peer learning opportunities*

Incubators and Accelerators nurture start-ups at a crucial stage in their lifecycle by providing them with an environment conducive to growing their business. Though both accelerators and incubators often focus on technology start-ups, there are some differences between the two.

Generally, incubators are focused on providing a physical coworking space and access to their networks for very early stage start-ups, which are idea based and possibly pre-revenue at the time of application. Some incubators provide funding for start-ups in the incubation programme which is usually in the range of $10 - $30,000 either in the form of a grant or equity in which case the incubator will own shares in your company. Accelerators are also aimed at early stage companies but ideally at those who have gotten some traction and are ready to grow and scale their business. Typically, that means the businesses are already making revenue. Accelerators generally take equity in the business in exchange for access to their programme, their facilities, and their mentor network, which often includes investors and experienced business managers. Both incubators and accelerators usually have a set timeframe, from a few weeks to a few months. Accelerators and incubators typically have a selective application process and start-ups need to prove themselves in order to be granted access. The application process examines the start-up’s business model, its financial performance to date, projections for the future, and the quality of the team. While they are typically well run and help entrepreneurs to refine their business, one downside of accelerators and incubators is that they often require entrepreneurs to spend valuable time away from their businesses. There are a few accelerators and incubators in Ghana, the vast majority of which are based in Accra and Kumasi. An alternative option for an entrepreneur that is not successful at gaining access into an incubation or acceleration program is joining an entrepreneurial community through one of the various hubs and co-working spaces across the country. Entrepreneurship can be a lonely journey there are many benefits to be gained from interacting with other entrepreneurs.

ANGEL INVESTOR NETWORKS

An angel investor network is a group of individuals (called business angels) who inject capital into a business in exchange for equity. The network is made up of experienced professionals or entrepreneurs who have knowledge and contacts in the industry in which they invest.

Business angels invest in companies with high growth potential. Business angels typically step in to provide funding for companies that have exhausted any friends and family investments or personal savings they may have been able to access before they receive any investment from VCs. While most business angels are engaged andhelpful, it is important to manage the amount of control relinquished early on.

As an entrepreneur, it is important to listen to their feedback, but to ensure not to blindly follow their advice. Angel investors often opt for an equity stake in the business which means that they will own a share of your business however nothing prevents an angel investor from providing debt. It is however unlikely that at that stage the business will be generating sufficient revenue to be able to service debt, this is where convertible notes and SAFEs often come into play.

Typical funding instrument:
Equity + Mezzanine

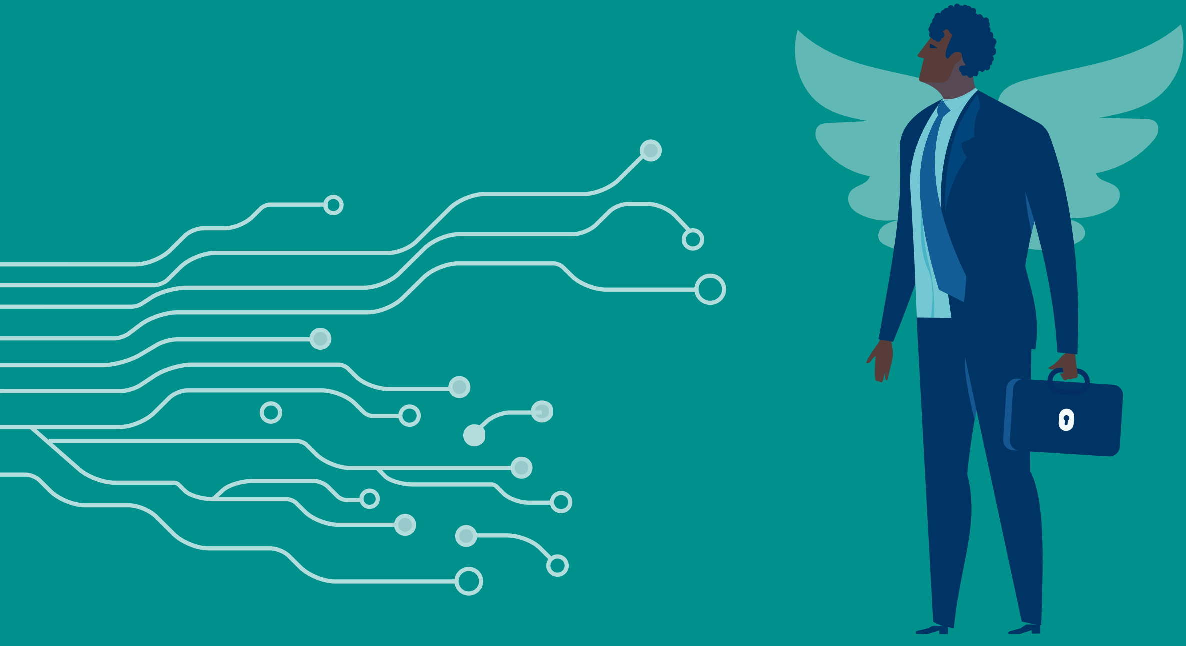
Typical funding amounts:
$20k - $250k

Non-financial benefits:
Mentoring, access to network to sell product - develop partnerships, deep industry insights, access to potential follow on funders

The Angel Investor Ecosystem in Ghana

Angel investing in Ghana is very common in the traditional sense, HNIs throughout the country are supporting the start and growth of new businesses however this practice is yet to be fully embraced in a formal setting. Traditional angel investor networks in Ghana are based on referrals from close family members or friends. A formal angel network would be open to review investment opportunities based on the viability of the business rather than the relationship with the entrepreneur. There has been reluctance from HNI's to participate in formal networks due to the lack of formal investment training, and lack of infrastructure such as an adequate identification system and sluggish legal system. Often, there is also a need to teach business angels not only about the opportunities for high returns, but also about the Ghanaian tech sector in general.

The number of start-ups in the Ghanaian ecosystem is rising year on year and they are rapidly attracting the interest from international angel investors. However certain regulatory factors make it challenging for foreign participation. The Ghanaian investment law requires a minimum investment of USD 200,000 from foreign investors, which exceeds the needs of most start-ups and the amount an angel is willing to invest. Entrepreneurs approaching business angels need to keep this relative inexperience in mind and be more patient in finding the right investors that will help their companies with introductions and mentoring based on relevant industry experience.



FOUNDATIONS

Foundations are non-profit charitable organisations that are founded with an initial endowment typically made by an individual or business. They tend to have a specific goal or sector of interest and fund other charities, NGOs, projects, and companies that work towards that goal or in that sector. Alternatively, foundations may also operate projects in their sectors of interest, if they have the capacity to do so. The amount of funding foundations make available varies drastically depending on their endowment. Large foundations can fund millions of dollars' worth of projects, although the vast majority are much smaller. In order to get funding from foundations, companies will need to go through an application process. Some foundations only accept applications from companies and projects they have invited to participate so it is important to know whom to approach within the foundation to get an invitation. Foundations will typically look how closely a company's mission and activities match with the desired outcomes they want to achieve. For this reason, when approaching foundations, it is important to focus on the impact of your business.

Typical funding instrument:
Grant

Typical funding amounts:
$5,000 - $3m

Non-financial benefits:
Capacity building, access to the foundation's network

PUBLIC / SEMI-PUBLIC FUNDERS

Typical funding instrument:
Grant, Equity + Debt

Typical funding amounts:
$6,000 - $500,000 (approx)

Non-financial benefits:
Mentorship, access to new investors, publicity

Public or semi-public capital refers to funding providers where part or all of their funding is received from government sources. The government may place certain restrictions on how the company operates and invests.

This is a broad group that includes a wide range of capital providers including fully or partially publicly funded organisations that work in various sectors to promote access to capital and technical assistance. These may include annual government funded start-up and/or innovation competitions, industry consortiums and development banks, multilateral aid organisations, credit guarantee schemes, development finance institutions (DFIs), etc.

Because they are backed by the government, public and semi-public funders enjoy trust among entrepreneurs and project owners and can be the first port of call when looking for capital.

BANKS

Banks are licensed financial institutions that are able to make loans and take deposits, among other services. In developed economies, banks often step in to provide capital to start-ups and SMEs. In emerging markets, however, commercial banks tend to shy away from the SME sector, seeing it as risky and costly. Although, in Ghana some banks have developed products for SMEs this has not yet been extended to start-ups.

Banks that work with SMEs offer various financial products, including asset financing and invoice factoring. Like other funders, they want to see a comprehensive breakdown of how the funding will be used, several years' financial history specifically consistent cash flows, and will ask for collateral. This is used to estimate the creditworthiness of the business, how long to lend the money, and at what interest rate.

Banks can be an efficient source of capital, but most will charge high interest rates given the risk associated with SMEs. Make sure you calculate how much you will need to pay every month and consider carefully whether that is something your company can afford. It is important to foster a relationship with the allocated relationship manager in order for them to understand the business early on so you do not wait until there is a pressing need.

Typical funding instrument:
Debt

Typical funding amounts:
*Varies (*cash flow and collateral determines the amount)*

Non-financial benefits:
Training and capacity building

IMPACT INVESTORS

Typical funding instrument:
Equity, Mezzanine, blended finance

Typical funding amounts:
$25,000 - $Bn's

Non-financial benefits:
Mentorship, business connections, access to network, deep industry knowledge, impact measurement tools, branding and communications support

Impact investors provide funds with the intention of creating a positive, measurable, social or environmental impact alongside a financial return. The expected range of returns for these investments is often below the market rate or return is measured by a different metric, e.g. social change or impact measurement.

Impact investors include high net worth individuals (HNWIs), family offices, foundations, banks, pension funds, impact-focused venture capital firms, private equity firms, angel investor networks, and development finance institutions (DFIs). Some impact investors are organised in a network, such as the Global Impact Investing Network (GIIN).

Impact investors can also provide a level of expertise to entrepreneurs and project owners in emerging markets, especially when it comes to making sustainable decisions. However, their expertise is likely to be limited, because they tend to be global institutions that focus on impact as well as financial gain. For example, many of GIIN's members are based in the developed world and therefore may not have the appropriate expertise on the ground. Furthermore, they must spend resources on examining impact, which means potentially fewer resources towards providing entrepreneurs and project owners with technical expertise. As social and environmental impact is key for these funders, it is important to show not only how your company will work towards achieving these aims, but also how you will measure and prove the impact you want to achieve. That is one of the downsides of accepting impact investment is that measuring impact can be highly demanding.

Gender Lens Investors

Another sub-sector of impact investing is gender lens investing. Gender lens investing is the practice of investing for financial return while also considering the benefits to women, by improving economic opportunities and social wellbeing. In evaluating their investments, gender lens investors focus on how their investments advance women in leadership, increase women’s access to capital and support the development of products and services beneficial to women and girls.

Furthermore, gender lens investors seek to secure gender equity in the workplace, address urgent gender justice and equality issues such as gender-based harassment and violence and improve women’s health.

Gender Lens Pioneers

Some insights from some of the pioneers in gender lens early stage investing in Ghana

Lisa Thomas – Samata Capital

The vision for our firm is to accelerate equal access to capital and opportunity for talented entrepreneurs in emerging markets. We intentionally invest in female-led and gender diverse teams with high-growth concepts that are committed to innovation, inclusion and impact. Our fund intends to invest capital and provide additional access to resources for 18-20 early stage companies in East and West Africa over the next 6 years. We work to identify high quality companies in which we can invest in multiple rounds starting at around $500,000.

Why is Ghana an interesting Market?
Macroeconomic indices remain strong with economic growth expected to be one of the highest in Africa in 2019. In addition, the fundamentals for digitalisation are strong; among a population of 29 million, there are 35 million phone subscriptions (penetration rate of ~119%) and 10 million active internet users (~1/3rd of the country's population) which is important for increased inclusion. Ghana also has a growing entrepreneurial ecosystem that is incubating new technologies that have the opportunity for cross-country expansion. We intentionally invest in female-led or gender diverse teams (at least 1 female co-founder or 30% of the management team is female). Companies that seek investment from us need to pass one of these thresholds before we'll look at the business.

What advice would you give to other gender lens investors considering Ghana as a possible investment location?
Ensure a robust understanding of the human resource needs of the investee company, particularly tech-enabled solutions, and how they intend to be able to access the required resources. In addition, take a look to see how a tech solution will solve problems for emerging consumers and whether the scaling of the technology is cost-efficient.

Sharda Vishwanathan - coLABS Gray Matters Capital

coLABS has committed $5 million over the next 3 years to invest in early-stage entrepreneurs to dramatically improve the lives of 1 million women and girls. At coLABS, we bet on people and high-impact, investable ideas that have the potential to exponentially improve the lives of women and/or girls. As a potential investee, it is important for start-ups seeking investment from coLABS to understand that we take on a strong and intentional gender-lens focus. In addition to that, we provide revenue-share capital (not debt or equity). Thus, it is central that the start-ups evaluate the impact of their work and the best suitable capital for their business model when considering to apply to a specific fund.

Why is Ghana an interesting market?
Ghana like other regions in Africa is a fertile ground for social entrepreneurship and we see a huge potential to support social entrepreneurs who are disrupting the status-quo through innovative solutions. With more than half of our portfolio companies being located in Africa, we see the potential to build a strong investment pipeline.

What advice would you give to other gender lens investors considering Ghana as a possible investment location?
Over the years, we have learned that it is important to adopt a bottom-up approach and trust the entrepreneurs' knowledge and judgment. The local entrepreneurs are more closely aligned to the practical realities on the ground and have a better understanding of the market and the community needs. Thus, it is key for investors to try and understand the market better and be more transparent in their investment approach and when engaging with entrepreneurs.

CORPORATES

Typical funding instrument:
Grants + Equity

Typical funding amounts:
Varies

Non-financial benefits:
Office space, mentoring and training sessions, business development advisory

There is a growing interest from larger corporates to engage with innovative start-ups that operate within specific sectors as most large firms are not able to innovate quickly enough to meet the ever-changing demands of their customers. SMEs who are operating in the value or supply chain of larger corporates can also try and approach those companies, as there are opportunities for outsourcing and the development of strong business relationships. Corporates support start-ups or SMEs through corporate social responsibility and integration into supply chains.

The fundraising process and amounts will vary depending on the type of funding that corporates provide. When companies are funding other companies and projects via their CSR initiatives, they will often act like impact investors. This means that they are not only asking for a business plan, but also a way to monitor how the money is being used, and whether it is meeting its stated social and environmental goals. Otherwise, corporates will look at how the business they invest in could grow and how this growth may fit into the company's long-term plans.

While corporates can be a great partner for your start-up, make sure you protect your intellectual property (IP) before opening up any business secrets.

VENTURE CAPITAL FIRMS

Venture capital (VC) is a type of private equity and refers to investments made in exchange for equity in early-stage businesses. VCs are focused on funding, developing, and expanding early-stage businesses.

VCs tend to invest in adolescent stage start-ups which have the potential to grow rapidly and earn the investors 10 times to 30 times return on their capital over a fairly short time period of three to seven years (in Ghana, as well as many other developing countries, that time horizon is often closer to seven and up to ten years and return on investment is closer to 3 – 5 times). Typically, VCs look to invest in companies within sectors in which they operate which enables them to have the capacity to tap into economies of scale and expand rapidly.

VCs provide several services in addition to providing capital. They play an important role in formulating and implementing the business strategy, aid in appointing the management team and in guiding the company through the later rounds of raising capital. However, given their influence on an early stage business, a VC will expect you to provide frequent reports and to occupy a seat on the board, participating in management decisions.

Take note that different VC firms invest in different stages. This ranges from very early stages of $25,000 – $50,000 to multiple million dollar rounds. Some VCs only invest in certain stages while others invest across the range and might do several rounds of investment in a company. It would be advisable to identify a VC firm that has the ability to do several rounds as follow on funding remains a challenge for most early stage businesses and it comes at a cost.

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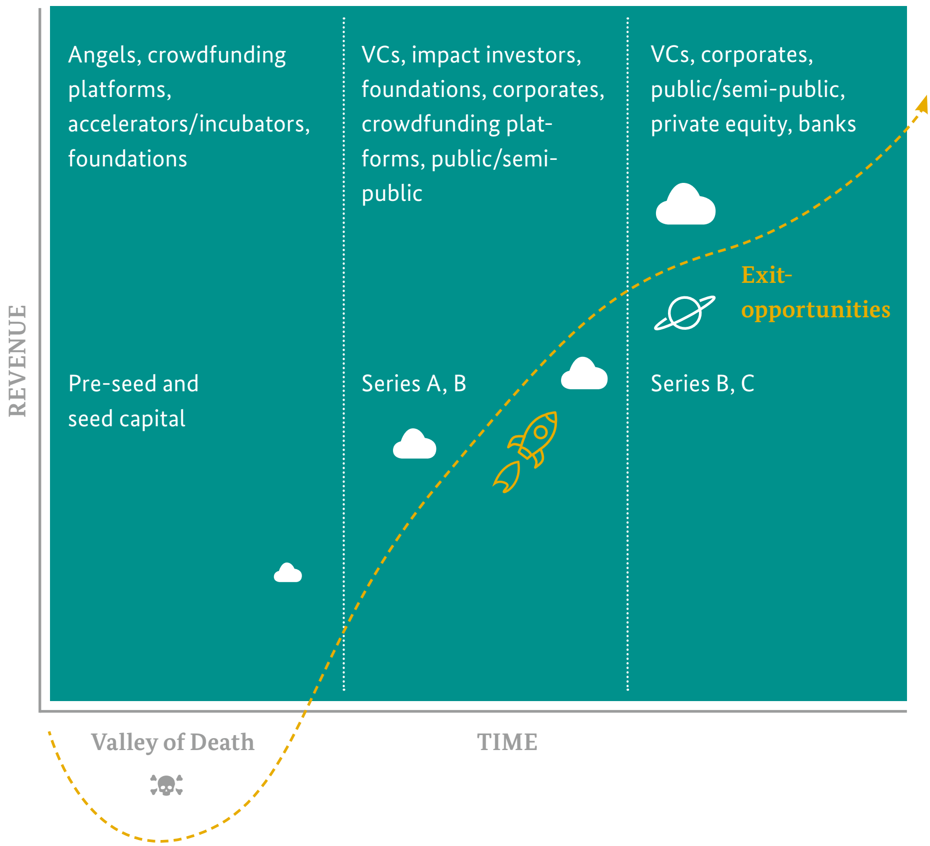
Typical funding instrument:
Equity

Typical funding amounts:
$25,000 to $3m

Non-financial benefits:
Mentorship, team building and recruitment, support with restructuring, governance and business processes, access to partnerships, business development support

This table shows the typical funding progression for a company, as its revenues increase over its lifecycle. The ‘valley of death’ is where many start-ups die: unable to generate revenues and investor interest, they fizzle out before their ideas take off.



PRIVATE EQUITY FIRMS

Private equity (PE) firms invest directly in private companies. In more developed markets there are quite clear distinctions between Venture Capital and Private Equity however on the continent the lines are not as clearly defined.

They tend to focus on companies that are more mature than those in VCs' remit. PE firms are often structured as a limited partnership, with institutional investors and/or HNWIs providing funds for partners to manage. As PE firms invest in more mature companies, and sometimes acquire a 100% stake in these companies, they tend to invest much larger amounts than VCs – GHS 10 million ($ 2million) and above. That makes them an imperfect fit for smaller firms. Private equity is a catch-all term that captures many types of firms; venture capital, for example, is a subset of PE. As PE funds tend to make large equity investments, they typically get fairly involved in the management of the companies. They usually focus on larger, more established companies that they feel can improve operations and become more profitable.

Typical funding instrument:
Equity + Mezzanine

Typical funding amounts:
$2m - $15m

Non-financial benefits: *Mentorship, business connections, business development advisory*

Local vs. International Investors

As the start-up scene continues to grow in Ghana, it is attracting growing interest from both local and international investors. This has generally been a good thing: greater competition among investors and increased capital flows mean better opportunities for start-ups. But, generally speaking, there are differences between what local and international funders offer to start-ups. Here are a few things that we have observed:

- → **International investors are more founder-friendly.** They typically take a smaller equity share and are more comfortable investing in the potential of the idea, rather than the current market share or traction to date. They may also be more comfortable with waiting longer for an exit opportunity. This often stems from having a deeper insight into the nuances of tech investing and more experience of coming in early and working with founders to build a business.

- → **Local investors know the market better**. Although this is quite obvious, it is overlooked at times when doing an assessment of value add. If you are creating a product exclusively for the local market, most international investors will be limited in the amount of support they can provide in relation to making local connections or local industry expertise. This is especially true for B2B start-ups, where getting the right contract can pay the bills for a long time. Often, it is better to take less money at worse terms and get the right investors' connections, than be allured by a large cheque.

- → International investors may not understand the country context. When pitching to them, you will need to explain not only your idea, but also the market structure and how your idea can be developed into a profitable product. Furthermore, you may need to explain macroeconomic developments when presenting your progress.

→ International Investments mean you are exposed to currency risk. The cedi performance against the dollar, pound and euro has fluctuated dramatically over the last 5 years, fluctuations can either enhance or reduce returns. Investors are often cautious of this which is why typically the interest is in later stage businesses with significant growth potential. What does this mean for you? The depreciation of the cedi against foreign currency can mean that although your business may be growing and performing well it may not reflect in return against the dollar.

While the number of investors is growing, the demand for money still outstrips supply, meaning investors have more negotiating power and generally get to shop around before they find a start-up in which they want to invest. That has led some entrepreneurs to chase investors that may not be a good fit. This can be ruinous to a company. Ideal investors should be able to offer a start-up time and access in addition to money. If an investor has never been active in a start-up's market, he or she is unlikely to be able to provide the type of mentorship support that a start-up may need and therefore you will also need to provide them with some guidance on how they can support you better. And if the investor doesn't know anything about your market, the advice he or she provides will be limited. This has made accelerator and incubator programmes more important, and it has meant a big role for angel investors to fill the gap.

Chapter
Raising Capital

III.

Chapter III: Raising Capital

STAGES OF START-UPS AND TYPICAL FUNDING NEEDS AT EACH STAGE

We break down the stages of a start-up's lifecycle, typical funding needs at each stage, and who to approach for capital

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START-UPS 101: HOW TO RAISE FUNDING

Here, we discuss what makes start-ups appealing to investors, which will allow you to better understand what funders look for when evaluating companies

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WHEN TO FUNDRAISE

When should you approach potential investors? In this section, we help entrepreneurs think about the timing of raising capital

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WHAT YOU'LL NEED IN YOUR PITCH DECK

Every entrepreneur needs to put together a pitch deck to present to investors; we highlight the most important components to include

See page 63

INVESTMENT READINESS

We provide you with insights from the perspective of investors, ecosystem builders and entrepreneurs who have raised capital.

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MIND THE VALUATION

Valuing a start-up is one of the hardest and most contentious aspects of fundraising; we introduce the concept and examine several valuation methods

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The Start-up Lifecycle

The decision on when and how to raise capital differs for every entrepreneur. Some entrepreneurs will be able to bootstrap their start-up for a significant period of time and achieve adequate growth before needing to turn to an investor for additional capital. However, this often depends on your sector and business model others may need to tap into the friends and family round in order to get their idea off the ground.

As an entrepreneur introducing innovation or disrupting a market you can often be met with intense competition and therefore one of the surest ways to beat your competitors is rapid growth, which is usually achieved using external financing.

Every founder's (and therefore, every company's) financial situation is different. That means each start-up's financing needs and journey will be different, too. There are, however, things that every company, project, or organisation should know when raising money; these are the fundamentals that will apply to most cases of fundraising. This guide has been designed to act as a toolkit for the fundraising journey providing you with an insight into what may be required at different stages of the process. For more tailored advice, start-ups can consult experts, or join incubator or accelerator programmes (like GIZ's Make-IT).

Recommended Reading

→ Venture Deals – Brad Feld, Jason Mendelson

Stages of start-up and typical funding needs at each stage

STAGE	IDEATION	BUILDING	PROTOTYPE	PROOF OF CONCEPT	GROWTH
Descrip-tion	Pre-product and revenue, only idea	Working on developing a product or service, hiring team	Finished proto-type in users' hands, getting feedback	Refining prod-uct, reaching larger audience	Early market success, expansion and growth to new geogra-phies or new products
Approxi-mate Funding Needs	GH₵ 0 - GH₵ 110k ($0 - $20 K)	GH₵ 110k – GH₵ 275k ($20k - 50k)	GH₵ 275k – GH₵ 825k ($50k - 150k)	GH₵ 825k – GH₵ 2.75m ($100k - 500k)	GH₵ 2.75m – GH₵ 11m ($500k - 2m+)
Potential Investors	Angel investor networks, incubators, friends/family members, grant-making foundations	Accelerators, angel investor networks, crowdfunding platforms, public/semi-public grants, foundations	Seed-stage venture capital firms, impact investors, crowdfunding platforms, corporates, public/semi-public grants	Seed-stage venture capital firms, corporates, crowdfunding platforms, impact investors	Venture capital firms, private equity firms, banks, impact investors, public/semi-public funders, family offices,

This chart breaks down start-up stages, the typical funding amounts that each stage requires, and potential types of investors to approach at each stage.

Start-ups 101: How to Raise Funding

Since starting a business involves costs, entrepreneurs often seek for capital to get their business off the ground. While there are a few lucky entrepreneurs who can rely on their own savings or have wealthy friends or family members who can afford to inject capital, most business owners need to go out of their way to raise funds from outside sources. One of the first questions a potential funder in any stage of your business development will ask is how do you plan on utilising the money. This leads you to the most important question of business planning: what is my immediate business objective and what resources do I need to make it happen? Money can definitely help you with getting started, however, in the beginning stages, there are other ways to get support or resources free of cost. The more you are able to grow your business in this way and convince others to support you, the more appealing it will be to investors or funders in the future. If you are not able to obtain funding from outside sources, you may also consider alternatives on how to grow your business in a lean way. This is known as bootstrapping. The lean model is often used in starting a business, as there are a number of things every entrepreneur needs to do before he or she thinks about fundraising.

These steps will vary depending on the business sector, location, etc., but in general, the process leading up to getting investors looks like this:

1. Generate a great idea | As an entrepreneur, you should identify a problem that exists for businesses or consumers, determine a solution, and think about how to turn that solution into a product or service. This often starts with problems that you have a personal insight to. SMEs on the other hand often follow a business model that already exists, but to which they have found a new market or approach – a unique selling point – which refers to what they are doing differently or better than other businesses in their sector

2. Conduct a feasibility study | Asses the market size, revenue generation models and potential customer segments. A lot of first time entrepreneurs skip this section and jump straight into ideation mode. Carrying out some basic feasibility studies can save you a lot of time and potentially financial resources in the future. It will allow you to make some assumptions about your potential customer and the market size.

3. Begin researching and networking | It is now time to get some more sector insights by talking to potential partners, financiers or support organisations. Not only will this help you later down the line with fundraising and finding customers, but it will also ensure you get a good understanding of the market, and what has or has not been tried before. The earlier you can begin making connections, the better.

4. Build your team | If you already have co-founders to start your business, great! But it is also important to have diverse skill sets in your team, since running a business requires many different skills besides those needed to develop your product. You can start reaching out to experienced people to find a mentor who can guide you in the right direction, support you in networking, and help you assemble the right team for your business. It is important that when you enter into a mentor/mentee relationship that you have clear objectives that are guided by expectations from both sides. It is necessary to set timelines and "codes of conduct" that will allow the relationship to flourish whilst remaining professional. This can be as simple as mentee informing their mentor as to what you hope to achieve (objective) and the mentor provides the mentee with allocated time slots for engagement throughout the period (code of conduct).

5. Create an early version of your product | While having a great idea is important, it does not always translate into a successful business. An important step is to get feedback early about your product. This might be about how and when they use it and how much they are willing to pay for it. This is the first step to determining what is known as product/market fit (how well your product is suited to the market). In order to find out if this is the case, create an early version or a prototype of your product. Try to get some feedback from friends and family and more importantly potential customers. Ask if it is really solving their problem, if it is more convenient than another solution or if there are any features missing. There are many more questions, but it is important not to spend too much time perfecting a product that nobody wants to use; rather pivot or start with a new idea. The lean start-up methodology can be useful here.

6. Consider a business incubation programme | There are different organisations in Ghana that support start-ups. You can find an overview in Chapter V and request more information directly from them in order to find out whether they are a good fit for you. This depends on the kind of support the incubation programmes are providing and if these organisations have the right expertise in your sector. Often, however, incubators provide access to networks and mentorship (and sometimes funding), which can be very useful to entrepreneurs. Some of these organisations have relationships with investors or financial institutions and can support your business in meeting their criteria. Note that it is not essential to have gone through an accelerator/incubator programme for you to be a successful entrepreneur.

7. Gain traction | Gaining traction means demonstrating that customers are willing to pay for your product, but your company does not need to be profitable at this stage. Usually described as a Minimum Viable Product (MVP), it is used for the first commercial transactions with customers and it is proof that your product has a market. This demonstration is one of the most important indicators for investors or other financiers before making their decision on funding your business. Typically, investors in the Ghanaian market recognise traction as a clear route to revenue generation if you have not yet generated any revenue, and if you are currently generating revenue then the route to profitability should be defined.

8. Do your homework | After your experience with your first customers, you are ready to develop a financial model that includes the amount of funds you want to raise and from where. When negotiating with funders it is important to prepare a comprehensive documentation about your business. This includes key financial data, a short business plan, a capitalisation table (who has shares in your company) and a convincing presentation, which is often referred to as pitch deck. Some funders will provide you with a pre due diligence checklist that lists the required documents. Make sure you walk into a meeting with a potential funder well prepared, as professionalism is one of the main criteria for judging investment readiness.

9. Raise funding for scaling | Select your funders carefully by understanding in which sectors they invest, at which stage of business development, and how they support the businesses in which they have invested. After all, investors and other funders are assessing your investment proposal by balancing risks against returns. You need to demonstrate that your product has a market with growth potential and that money for scaling is the only challenge. Most importantly, funders invest in your team and not in an idea, which means that you have to convince them that you have the right people in your team to make it happen

When to Fundraise

Quite often entrepreneurs will ask when do we start the fundraising process? The answer is very simple, when you have exhausted every other avenue for internally generated funds and the only other option is to raise external capital. That being said let's put that statement into context, it is imperative that you are forecasting and planning for the future needs of your business and anticipating when you may need an injection of cash. Each business has different financial needs so you cannot put a timeline to the need to raise capital but if you are managing your business effectively and have become a student of your revenue flows you will know when you have reached that point.

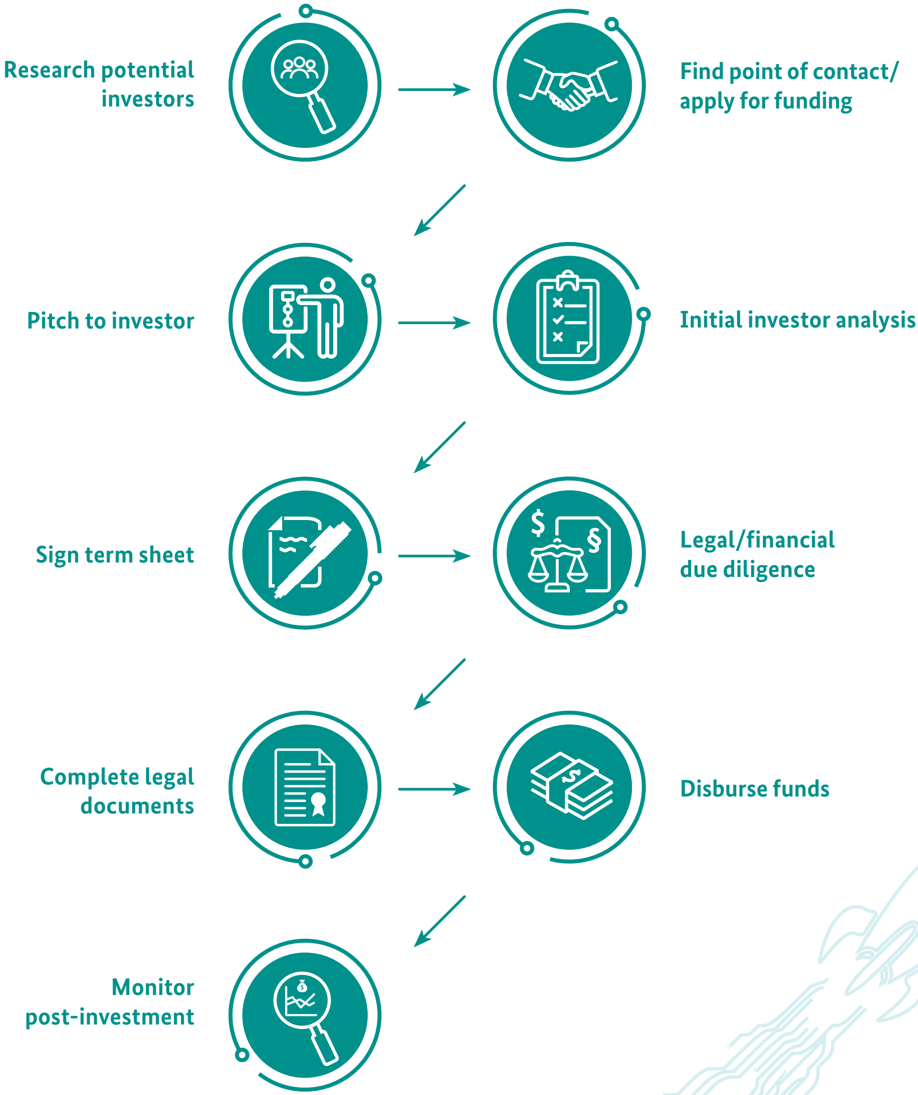
In the international tech start-up community many mentors, advisors and consultants advise start-ups not to take on investment too early. Echoing our sentiments that you should focus on generating revenues from business activity however there is an overflow of capital to start-ups in more developed markets and they are often bombarded with offers of investment too soon. In Ghana, however the percentage of money flowing to early stage tech companies is limited and therefore although the same advice is given it has a different context. Early stage tech companies in Ghana are required to demonstrate that they have a clear path to revenue or in some cases profitability to even attract the attention of an investor.

So the question of when to fundraise for the Ghanaian entrepreneur really comes down to the following three things:

1. Have you exhausted every possible option for raising funds internally?
2. Have you mapped out the use of funds?
3. Can you clearly identify how the use of funds will lead to growth within the business?

Insight: Financial planning is crucial in order for your business to operate effectively and meet the needs of your customers without having lapses in either your service delivery.

Typical Negotiating Process with Investors



Your Guide to Pitching

What You Need in Your Pitch Deck

The documents required will depend on the stage of funding you are in, and who you are pitching to. If you are looking to raise money from a grant-making institution or an angel investor, you are likely to get away with a one-pager articulating your idea and why it is important, as well as a pitch deck. If you are going to a private equity firm or a bank, you are likely to need a detailed business plan, financial projections, etc.

As this guide is geared more toward early stage start-ups and first-time entrepreneurs, we will focus on the documents they will need when approaching investors.

Generally, they will want to see a comprehensive *one pager* that outlines a business idea and how the company plans to build a compelling product around this idea, outlining current and future challenges, and how to get around them. Entrepreneurs should also include a pitch deck – a set of slides that they can use to showcase their ideas, traction, and market opportunity to potential investors.

Brief 'One-Pager' or Investment Teaser

The one pager is an important document that every entrepreneur should spend time to get just right. This should be a mini-business plan, and should include a succinct overview of what the business is, what problem it is solving, and how you plan to turn your idea into an appealing product. Include charts, images (including your company logo), and graphs as much as possible; but, do not forget to clearly articulate, in writing, the purpose of your business and how you plan to execute it. This is a document you could leave behind so make sure to balance substance with visual appeal.

This should plant the seed in the investors mind that you fit their profile, your business idea is interesting, viable and scalable. The general idea is to get a call back and an opportunity to pitch and present your deck.

Pitch Deck

The second document every entrepreneur will need to prepare is a pitch deck. Based on the Guy Kawasaki formula known as the 10-20-30 principle.

10 slides, delivered in 20 minutes with no font smaller than size 30. The key here is that the slides should support what you say, rather than have all the information.

The elements of the pitch deck

1. **Title**

2. **Problem/Opportunity**
   Describe the current challenge or opportunity that exists in the market

3. **Value proposition**
   How does your product solve that challenge and capitalise on the opportunity?

4. **Your unique selling point**
   Describe the technology, or process behind your product/ business model that gives you an advantage, what is unique about what you do?

5. **Business model**
   Explain how your business works and how you generate revenue

6. **Go to market plan**
   How will you acquire customers?

7. **Competitive analysis**
   Provide a complete view of the competitive landscape including alternative solutions

8. **Management team**
   Describe the makeup of the team, board of directors and board of advisors as well as any current investors.

9. **Financial projections**
   Ideally a three year forecast containing not only expected revenue but also key metrics such as number of customers and unit economics (e.g. profit margins, adoption rate, conversion rates are key)

10. **Current status accomplishments to date, timeline and use of funds.** Explain the current status of your product, what the near future looks lie and how you will use the money.

Make sure to present the context of your problem and opportunity especially if the investor is not from Ghana and may not be familiar with the local context. Also make sure you understand your investor and their motivation. Impact Investors, while they still care about the financials also want to understand the social impact and how this will be measured (e.g. number of children reached, number of women trained, number of youths employed, increase in farm yield).

Recommended Reading

→ Pitch Anything by Oren Klaff
→ Mastering the VC Game by Jeffrey Bussgan
→ The Art of the Pitch by Peter Coughter
→ The Art of the Start 2.0 by Guy Kawasaki

Pitching Effectively

Every entrepreneur has a different pitching style, and the start-up's business model/ maturity will affect what exactly the pitch looks like. Likewise, every investor will ask different questions. But, there are similarities around what investors will want entrepreneurs to cover:

❶ **Traction so far.** A good idea will typically not be enough to attract investment. They want to see what your start-up has achieved. *Has anyone parted with their money for your product or service?* is how one investor put it. If you are not there yet, get letters of interest from interested businesses. Or show how many active users you have. Simply put, investors want to see positive signals from the market that your product or service is in demand and solves a true need.

- *How many units have you sold?*
- *How many sign-ups do you have?*

❷ What makes your team special? Investors often look at the entrepreneur more closely than the businesses those entrepreneurs started. After all, investing in a company means forming a partnership that will last years. If an investor is not sold on your team, they will not invest in your business no matter how much potential the idea has.

- *Why is your team uniquely-positioned to solve this market problem?*
- *What is the team's experience in this field?*

❸ Understand your market. Investors will ask about your market, what opportunities and risks have you identified. You need to be able to answer their questions knowledgeably, backing up your assertions with hard data. Importantly, investors are looking not at just how well you know the market, but also how well you know how to make money in the market.

- *Has anyone else tried to solve this problem? How is your solution different?*
- *What are the challenges you foresee in the future, and how will you navigate around them?*

❹ Your track record. If you are a first-time entrepreneur, you will not be able to show what your previous companies have done. But you should be able to talk about what you have done since you graduated from school — how did you do, what companies have you worked for, what problems have you tried to solve? Investors will often do reference checks, so keep up with old contacts who may be asked to vouch for you.

- What have you done in this space already?
- Do you have people who will vouch for you?

❺ Your thinking process is important. Investors understand that as a start-up, projecting growth numbers is difficult; at best, it is an educated guess. While you should ground your financial projections in reality, the most important thing about the numbers is being able to clearly talk through them, and to explain your hypotheses.

- How do you justify your growth plans?
- How did you evaluate the size of the market?

Pitching to Impact Investors

Impact investors are funders who seek social or environmental impact in addition to a financial return. They vary widely in their emphasis on impact. Some will screen out investments that have the potential to have a negative impact and in most cases businesses that are operating in developing economies considered potential impact ventures. Taking this into consideration, the act of investing in Ghana is likely to have direct and indirect positive effects, including job creation.

Others have a much more specific view on what counts as impact, and will ask entrepreneurs to report the impact metrics they agree upon. Some have the appetite to wait for extended periods of time to see potential financial returns as long as the company's social and environmental impact is high enough; others are not so patient.

Typically, when approaching impact investors, you will need to prepare the same documents as you would for other funders. Additionally, you will need to show how you plan to effect positive social or environmental change.

The first task will be to choose which metrics to track. Often, this will be a natural fit – if your company is involved in renewable energy, for example, tracking the number of households impacted and the amount of CO_2 emissions foregone makes sense.

Additionally, you should integrate impact into your financial model. Just as you make assumptions about annual customer growth, customer retention rate, etc. you can also estimate how much impact each additional customer or product will bring. Impact Investors want to see how your company affects the bottom of the pyramid (BOP) — the poorest citizens in a country.

Finally, you should include a separate spreadsheet in your model that makes it clear how you plan to measure the impact you are setting out to achieve. This should link to your financial model and your theory of change. Impact metrics should be easily attainable – do not promise to get in-depth survey responses from each of your customers if you are not sure each one will respond. Measuring outcomes should not get in the way of running your business, especially early on, so be reasonable about the claims you can make.

While these concepts may be foreign to many entrepreneurs, they do matter to a growing number of investors in Ghana. You should think carefully before you attempt to position your company as an impact investment. It may be a natural fit for some, but less so for others.

Investor Readiness from All Sides of the Coin

When seeking investment, start-ups need to be aware of what is required of them. Different investors require specific information or set a specific criteria that needs to be met before making a decision. Different investors have different requirements and these are often a reflection of the stage of the business or size of investment.

GreenTec Capital | **Peter Grouev & Konstantin Behr** | Venture Capital

GreenTec Capital Partners is a long-term investor that joins forces with start-ups from the proof of concept stage to growth and SMEs.

"Visualization and evidence of market fit is necessary for us. Traction and evidence of pilot success needs to be there. We do not invest in pre pilot. Proof of concept is a must. We look for hard evidence [numbers] - growing revenues and traction are key.

We make sure to check the financial model, financial projections and ensure that the company is incorporated. The due diligence makes sure everything is in order. A start-up does not need to be profitable today but has to have a clear understanding of their unit economic costs. We invest in companies in the valley of death and help them grow over the next 1 two 2 years."

Adenia Partners | **Charles Boatin** | Private Equity

"There are lots of start-ups that look like they have promising models but there do not have the [financial] support to get over the initial hump. They are missing the inertia to get rolling. The start-ups need to recognize that lack. There is a gap and they need to find a way through.

Once you can scale and grow quickly that is great, however, the challenge is the sustainability. Sustainability is very key for us. For something that is totally revolutionary, the question then is can you demonstrate that has worked elsewhere. Give yourselves time to grow and get a track record and build your brand. For example, if you are in a service model that relies on a few people, you need to develop a brand."

Sharda Vishwanathan | **coLABS Gray Matters Capital** | Venture Capital

"coLABS as a fund applies a gender-lens while investing in market-based enterprises. We believe that investing in enterprises that are creating better futures for women and girls has the potential to maximize both social and financial returns. The African start-up scene is booming with innovation. The majority of applications we receive from the region is a testament to that. It is particularly heartening to see an increase in the number of enterprises that are led by local entrepreneurs. Be it agri-tech, healthcare, or livelihoods, we have been honored to support entrepreneurs in Africa who are tackling critical challenges that women face in their communities.

The social innovation ecosystem in Ghana is no exception. Through our investment in Ghana-based Redbird, we see a leapfrog opportunity in healthcare via a distributed primary care system. They have seen a 45% month-over-month growth of registered patients and have grown from 2 to 100 pharmacies in Accra in the last year alone. Registration of 7740 female patients on their system, 20,000 tests performed for women and training of over 230 female pharmacy staff are some of the important gender impact milestones achieved by Redbird."

Investor Readiness - Insight from two start-ups

Kingsley Abrokwah | **KudiGo** | Start-up

Abrokwah we asked him to give us some insight into what it is like to raise a seed round of 450,000 USD in funding in Ghana.

KudiGo is a storefront that enables you to take your business with you; have complete oversight, monitor and make more effective business decisions.

Kingsley, what advice would you give start-ups seeking investments?
One of the things we fail to do is understand the word start-up is just a buzz word. You are actually trying to build a real company, with real structures. So trying to have too much control as the founder is a recipe for failure. Think about your start-up as a real business. Have structures, you must follow the right regulations. Dot every i and cross every t.

Should start-ups to be focused on raising money?
What we should focus on doing is not to be in a hurry to raise money at all cost. At KudiGo we focused on building the product and the company and by so doing attracted the right kind of investments. Before we even raised a peswas (a dollar cent), we worked as a team to build a good enough product that was user oriented and to be able to show the viability of the product to show that customers were paying us.

How do you find the investment environment?
In the environment we find ourselves in Sub Saharan Africa, raising capital is a challenge. The investment and VC space is not that mature so we are faced with challenges. Everyone is trying to get an idea of what will work.

There is capital coming into Africa now which is good. Our preparedness [as start-ups] is key. Get into programs (training programs, hubs, accelerators), educate yourself and understand what it takes to grow. You must learn what it means to grow a business to a million-dollar company.

How do you think your career has helped you?

In my previous life I worked as an investment analyst so that actually gives me a perspective of how investors see start-ups. Coming from a career in the tech space and entrepreneurship I have come to appreciate what it takes to get an idea, start the idea and raise investment and build structures around people who believe in the shared vision as an entrepreneur. One of the key lessons I have learnt, is the fact that for any start-up to succeed it is about the people. Not just the founder or CEO. It is about every employee.

Charlette N'Guessan Désirée | **BaceGroup** | Start-up

Talking with co-founder and COO of BaceGroup, Charlette N'Guessan Désirée, shared her experience of launching her facial recognition artificial intelligence start-up in Ghana since coming out of an incubator program.

As Forbes Magazine stated, "Bace brings cutting edge facial recognition technology to bear on the problem on identity and KYC in Africa, beginning with financial intuitions that have some of the strictest KYC requirements of any industry, the founding team hopes to scale this provide identity verification universally on the continent."

You were based in Ivory Coast before launch your business here in Ghana. How did that come about?

I came to Ghana because I was selected as the first female francophone to attend an Entrepreneur Training program here. The plan was to learn from the Ghaniain ecosystem and go back to Ivory Coast to build a software solution that respond to a specific need in the Ivorian market. From my perspective, compared to Ivory Coast, the Ghanaian tech ecosystem is more active and the market seems to be responding to the tech solutions. And the market research I and my team did in Ghana, showed us that the Ghanaian market was more ready to use the solution we were building: That's why we have decided to target and launched first BACE API in the Ghana market.

What was it like getting support from through an incubator? Would you have been able to build your start-up without it?
It was a great opportunity for us to join an incubator. The support helps us to set up in Ghana and invest in the business development of our product. Also, we got advice from experts to better understand and define a strategy to build a software company in the african market. The incubator is also building a network in the tech ecosystem. Without the incubator, I think the process would have been different and more difficult but not impossible.

Is the market receptive and open to using your services?
Talking to businesses and financial companies proved us that the need is real. Online identity fraud is taking advantage of the market and local financial companies are struggling to define a good strategy to meet the kyc requirements. But we are in the emerging market and some regulations are not making the process easier, in general for local start-ups. Also, companies don't trust technology as they pretend. So as a local startup, we have to build trust and educate the current market to understand and use technology to optimize their services.

Are you looking to grow your market beyond Ghana?
Yes, we are working to expand our services in other countries. We still study other industries as well and market to better meet their needs. To resume we are open to any collaboration or opportunity that can help us to provide our services in other markets.

Have you received funding and what was the experience like?/ Have you raised capital and what has been your experience?
Yes, we raised capital at an early stage of our startup. The experience was good when we know that is really difficult to get funding at an early stage for a local startup. It was an important step in our journey to be able to communicate our vision and be trusted by our investor without to prove traction.

What advice would you give to start-ups looking to raise capital?/ What do you need to have in place to be able to raise capital?

From my experience, all investors are different. Some are driven by the market opportunity of your business, some the innovation behind your solution and others by the team. Better make sure that when you pitch your solution you are able to communicate at the time about the market opportunity, the innovation and why they have to trust your team. Also having a clear vision about the future of your business is very important, it helps you to anticipate some potential questions from investors in terms of the sustainability of your startup. Last advice listen all the feedbacks and don't take negative feedback personally, the goal is not to kill your business but to help you to progress.

What advice would you give to future founders?

As founders, we have all to know that the team is very important. Be present and support each other can help the company to grow better and stay strong. Also Ignore the hype you see about other startups in the press, don't be intimidated by the success of others but stay focus on your business and remember that any progress is significant. I believe that as founders, they understand that the journey will be long and challenging. So I wish them to be productive, motivated and sales their solutions to the right target.

Are you looking to raise capital and what are your expectations?

For now, our focus is not to raise capital. But as a business we are open to receive and analyse propositions from investors.

What was it like getting support from through an incubator? Would you have been able to build your start-up without it?

It was a great opportunity, this support helps us to set up in Ghana and invest in the business development of our product. Also, get support from experts to better understand some topics related to software companies and build a big network. Without the incubator, I think the process would have been different and more difficult but not impossible.

→

Is the market receptive and open to using your services?
The need is real, but the regulations are not making the process easier, in general for local start-ups. Also, companies don't trust technology as they pretend. So we have to build trust and make sure that our brand is solid in the market.

Are you looking to grow your market beyond Ghana?
Yes, we are looking to expand our services in other countries. We still study other industries and market to better meet their needs.

What advice would you give to future founders?
The journey will be long and challenging. They must be productive, understand what they are offering, who will pay for their solutions and be patient.

Intelligent Capital Insights

Tech founders are usually "techies" tech savvy and talented individuals that have used their skills to develop something that they believe they can commercialise. This Is a great start, but the moment you become a founder you need to focus on developing skills beyond the technical. Investing in personal development, developing your leadership style, communication skills and general management skills is very crucial to your sustained success.

Investors are looking for entrepreneurs who are well-rounded, competent business managers that have the ability to articulate their vision, have clarity of thought on how they are able to get there but be flexible enough in their thinking to be able to adapt to changes in the market and to be able to take feedback and suggestions. We see the key characteristics to be agility, focus, tenacity and clarity.

Take the time to understand the funding cycle and do not enter into long-term relationships to meet short-term needs. Do not fall into the trap of giving out equity to solve a short-term cash flow issue, exhaust every possible option of generating internal funds or try and get a loan from friends, family or an institution.

Fundraising can be a long journey and can often take a significant amount of time, which pulls you away from your day-to-day obligations of running your company. If you have a co-founder decide early on who is best positioned to take up this task, if one of you is better at delivering presentations and building relationships let them take the lead whilst you focus on running the business.

Valuation Matters!

Start-ups, Your Valuation Matters!

Valuing a company is a highly important part of the fundraising process especially when raising money through equity. It is also, however, imprecise and highly difficult. This is because many start-ups are in the ideation stage, and it is nearly impossible to value a company that has few assets besides an idea and the promise of commitment by a few eager co-founders. One way to avoid this question early on is to consider convertible debt, a form of mezzanine funding or a SAFE, which seems to be rapidly becoming the go to option. At some point, however, it will be necessary to determine your start-up’s value.

Valuation and why it matters is important for every start-up to understand. This is because it affects not only the company’s short term prospects, but can also have important ramifications down the line.

There are many online resources available to entrepreneurs that will help them to better understand how valuation works. *On the page on the right*, we provide a basic example to introduce the concept, and to explain why it is important.

Of course, one of the key questions is how does the investor obtain a certain valuation and, hence, the shareholding he or she accepts in the business. Many factors come into play to determine this, key among them being the cash flows a company expects to make, current performance, and even the number of investors interested in the deal.

There are various methodologies used to come up with a company valuation. The key ones include: discounted cash flow (DCF), multiples based, and assets-based methodologies.

Valuation Models for Your Start-up

Imagine a fictitious entrepreneur has an idea for an e-commerce company. He discusses it with a friend, and the two of them decide to set up a company around it: Widgets Limited. The two go about working on the company for a month, developing a clearer strategy and business plan, as well as a website design to show potential investors. Because they have committed the same amount of time on the idea, they decide that it is fair to split up ownership of the company in half. They issue 1,000 company shares, and take 500 shares each, meaning each one owns 50% of the company.

After spending some time to work on their idea and the pitch deck, they approach several angel investors, one of whom is interested. He decides to invest $10,000 in the company, to help the founders set up a functioning website and to begin building up a pipeline of products they want to sell on their site. In exchange, he gets 100 shares that the founders issue to the angel. So, he owns 100/1100 shares (9.1%), while the founders now own 500/1100 (45%) each. Because the angel's $10,000 investment bought him 9% of the company, the post-money valuation is $110,000. At this point, the price per share is $100 (= $110,000/1100).

A couple of months go by, Widgets begins to attract media attention and customers. Things continue to go well, and several VCs become interested in investing in the company. The start-up's founders are feeling bullish about their prospects and decide they need to raise $100,000 to keep the company going for the next 6 months. They turn to an early-stage VC, who agrees to invest the money in exchange for 500 shares. That gets the VC 500/1600 shares (31.25%), and values the company at $320,000. The price per share after this investment rises to $200 (= $320,000/1600). That means if the angel investor wanted to (and was able to) cash out, he/she would have made 100% return in just a few months — that helps to explain why investing in start-ups can be so lucrative, and why it is attracting so much interest.

Valuation continued

DCF (Discounted Cash Flow) Model

The DCF methodology computes the cash flows the start-up expects to make in future and discounts this to the present. This means taking all the cash in the future and making adjustments for inflation and risk to find out the value of these cash flows as at present. The discount rate is a highly debated variable, and it will be set by the funder when evaluating the investment. It is a good idea to create several scenarios with different discount rates and therefore different net present values; make sure you can explain the reasoning behind the different scenarios.

Multiples Model

The multiples approach compares similar start-ups to obtain the valuation. This would mean if one start-up – similar to yours in terms of sector, size, business model, etc. – with sales of GH₵ 110k ($20k) is valued at GH₵ 550k ($100k) it implies a value to sales multiple of five (GH₵ 550k/GH₵ 110k, or in dollar terms $100k/$20k). If the start-up is truly similar to yours, you can use this multiple to value your start-up. Assuming your start-up had sales of GH₵ 220k ($40k) its valuation would therefore be GH₵ 220k x 5 = 1.1m (or $40k x 5 = $200k in dollar terms).

Net Assets Model

The net assets valuation approach calculates the total value of the tangible assets it has. For start-ups, this would usually result in the lowest valuation, since most start-ups do not own a lot of assets – it is the intangible assets like the idea, the potential, and team talent that excites investors.

It is important for each entrepreneur to note that the final price in a deal is a combination of the valuation and negotiation between the investor and entrepreneur. Do not raise more than you can handle! Many investors will warn against raising too much money too quickly. If your valuation is high early on in your company's lifecycle, investors will expect you to show similar (if not faster) growth when you raise money again in the future. If you cannot justify a rise in value, you may need to settle for a down-round — an investment that results in a lower company valuation than previous rounds. That not only leads to unhappy investors, but can also seriously hurt employee morale.

Insights

- *Be open to feedback*
- *Focus on developing relationships and trust*
- *Your board can be your superpower, utilise it*

Assembling a Board of Directors

As is stated throughout this guide, networking is crucial for businesses in Ghana. One reason is that it can help you to identify people who you can put on your board of directors. The board is responsible for the overall direction of the company and will help you make important decisions, so it is key to get people who are engaged and have a good track record. The initial board of directors is likely to feature a founder and a representative from the investor. After this, you will be able to invite several other individuals to sit on the board — try to make this an odd number so there are no ties during voting. Here are some tips on putting together a board:

1. **Do your research** – Just as we recommend that you carry out due diligence on your investors, you also need to screen potential members of your board. Look out for what other businesses they are involved in, identify whether there are any potential conflicts of interest; if possible engage those businesses and get an unofficial recommendation or do some general fact finding and establish whether they see value in the board member. Some key questions to ask may be: Is he/she committed? Do they attend board meetings regularly? Do they make recommendations? Have they brought on any additional partners/ clients? Have they made the effort to develop a relationship with the founders?
2. **Focus on the value-add** – the board members should have a tangible value-add to your business. As one investor put it, board members should add value in one of two ways: deep industry experience in your sector, or deep functional experience in an area crucial to your business (e.g., sales, finance, or operations).
3. **Location. Location, Location** – Experienced and successful entrepreneurs/professionals will often have many demands on their time; take this into consideration when selecting your board. Will they be able to physically travel to board meetings if not and they are international are they committed to allocating time across time zones to dial into meetings?
4. **Gender Balance** – Gender balance is not only a trending topic, it's a critical tool for effective leadership and management practices. Diversity plays a large role in ensuring that companies are making decisions taking into consideration multiple perspectives that favour all stakeholder groups and has been proven to positively impact the bottom line.

For earlier stage businesses that have not received funding, a board of advisors could also play the role of the board. It pushes the founder to be accountable to external parties while giving much needed advice and guidance. The process of getting a board of advisors is similar to the one of getting a formal board.

What Makes a Start-up Appealing to Investors

Ideas

Ideas are key to setting the company's vision and to creating a compelling story. While many companies pivot as they develop their product, moving away from the company's founding ideas. It is important to create a unified vision and is a good way to let everyone focus on a central mission.

Product

A successful company will be able to translate a good idea into a great product, and will listen earnestly to early users, taking into account their feedback and understanding how the product is being used (regardless of how it was intended to be used). Indeed, it's not just the product that investors are examining. They also consider the product-market fit: does the product satisfy a demonstrable need in the market and is there an appetite to pay for it.

Team

One of the most important success factors for any start-up is hiring the right team. It is the team that will help create the products and services. To manage your finances, ensure that you are strategic about hiring and identified a specific need tied to the companies growth. Make sure your first hires are those you can trust. First employees are usually giving a large chunk of equity, as they will be the ones who will make the company succeed and taking a lot of risk when pay will still be low.

Execution

You have developed an idea, turned it into a product or service and now its time to execute. How do you begin implementing your ideas and sell your product/service? What channels will you utilize? How many employees do you need to realize your vision? It also means setting clear, measurable goals so that progress and employee performance can be evaluated. Keeping these four components in mind is useful for all start-ups, and especially those that are looking to raise money, as investors will organise their thinking around the same themes – is the idea any good? How about the product the company built around this idea? What about the team? And how focused and motivated is the company to execute its vision?

Timing

When you choose to introduce your idea to the world can be critical to your success. It might not be possible to identify the exact date that you may want to launch your company but there should be industry/market indicators that act as a guide to what the appetite for your product may be at any given time. When you look at the Ghanaian landscape ask yourself the following questions:

- → *Is there a current need for my product?*
- → *Would my customer be ready to part with cash today to solve their problem?*
- → *Do we have the infrastructure to allow for my product to thrive in the marketplace, can it be easily integrated into an existing framework right now?*
- → *What amount of behavioural change would need to take place for my product to be successful today, and how would we go about doing that? Is there a large budget attached to it?*

Chapter IV.
Ghana's Investment Scene

Chapter IV: Ghana's Investment Scene

A BRIEF HISTORY

How did Ghana's tech entrepreneurship ecosystem develop into what it is today? We take a look at some of the biggest developments that led to its rise

See page 85

ENTREPRENEURSHIP EDUCATION

Explore different academic and non-academic institutions that offer entrepreneurship education which will help grow your knowledge.

See page 92

IDENTIFYING MARKET OPPORTUNITIES

Explore different market opportunities as a start-up in Ghana that you could explore.

See page 95

IDENTIFYING MARKET OPPORTUNITIES

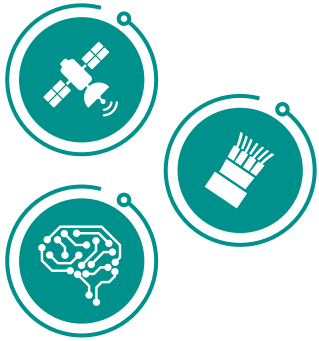
Explore different market opportunities as a start-up in Ghana that you could explore.

See page 95

A Brief History

An Overview of Ghana's Tech History

Ghana, has been a global hub since the 14th century. Fast forward till today, Ghana is still a central hub in Africa with a focus on its natural resources. However, an emerging tech scene is growing. Since becoming the first sub-Saharan country to gain independence in 1957, Ghana has been a trailblazer in many fields.



- → First country in Sub-Saharan Africa to have a satellite launched into orbit
- → Ghanaian Thomas Mensah, known as "The Engineer who Revolutionized the Internet" was fundamental in working on fibre optics leading to the backbone of internet revolution we have today.
- → Google's First Artificial Intelligence Centre in Africa was launched in Ghana

A combination of government policy and seeking for greater market share has seen the total subscriptions of 2G/3G mobile data in the country reach over 26 million with a penetration rate of 89% at the end of December 2018 (National Communication Authority, 2018). Considered by some to be the gateway to Africa, many underlying aspects makes Ghana an ideal place to do business. Its geographic position as the country closest to the centre of the world (GMT & Equator) allows for ease of communication and short flight distances.

Compared to its peers of Nigeria, Côte d'Ivoire and Kenya, Ghana performs well on several key metrics such as GDP per capita, percentage of population on the internet and access to electricity. Ghana's GDP per capita at $4,700 is above Kenya at $3,500 and Côte d'Ivoire at $3,900. Ghana also has a higher percentage of the population with access to the internet (34.7% compared to Nigeria 25.7%, Côte d'Ivoire 26.5% and Kenya 26%). With a very critical infrastructure provision in terms of access to electricity it exceeds the rest with 79% of the population having access to electricity compared to 54.5% in Nigeria, 65.6% Côte d'Ivoire and 63.8% Kenya (CIA FACTBOOK). Ghana's infrastructure (roads, power, internet), political stability, location and ranking on ease of doing business according to the World Bank all contribute to the attractiveness of Ghana as a business destination.

For a country 7 times smaller than Nigeria, Ghana attracted almost double the foreign direct investment (3.5 billion USD to 1.9 billion USD) in 2018. That serves as an indicator of the positive business and investment environment in Ghana. The Ghanaian government is playing a role in making Ghana a conducive environment for businesses and entrepreneurship to flourish with the focus moving from traditional businesses to include tech entrepreneurship.

Over the years the government has taken strides to establish:

- a digital addressing system, which enables locations to be found readily and has in turn supported the growth of delivery, ride hailing, ecommerce services;
- interoperability of mobile money services, which allows people to pay and receive money from various networks thus boosting trade and commerce and catering to a previously unbanked population.
- the National Entrepreneurship and Innovation Plan (NEIP) to drive awareness, engagement and support for entrepreneurs across the country.
- tax breaks for start-ups to enable them to grow and utilize their earnings for reinvestment.
- digitization of various services including the passport service and the ports and harbours in Ghana.
- the Accra Digital Centre, which hosts both the Ghana Innovation Hub and the Ghana Tech Lab which falls under the eTransform program of the Ministry of Communications with funding from the WorldBank Group and Rockefeller Foundation.

These digitization efforts provide an indication of the commitment that government has to embracing technology and creating an enabling environment for tech innovations to flourish.

The entrepreneurship ecosystem was dominated by grassroots operators, over the last decade the landscape has changed dramatically. From a few hubs and incubators located in the capital city to over 30 tech and business hubs across the country which means that access to support has increased drastically. There has also been an increase in support from corporates and international agencies.

We are also seeing participation from larger corporations, this ranges from having their own incubator and providing direct business support services and hosting events (Kosmos Innovation Center & SB Incubator) to hosting challenges (MTN App challenge). Such interventions have provided some necessary support to the ecosystem as the organisations providing support services are often under resourced and unable to provide a full range of services to entrepreneurs.

Sample of some corporate initiatives that engage with start-ups:

1 Since 2013 MTN App challenge has seen over 200 developer teams impacted through the challenge with dozens having apps on the MTN store.

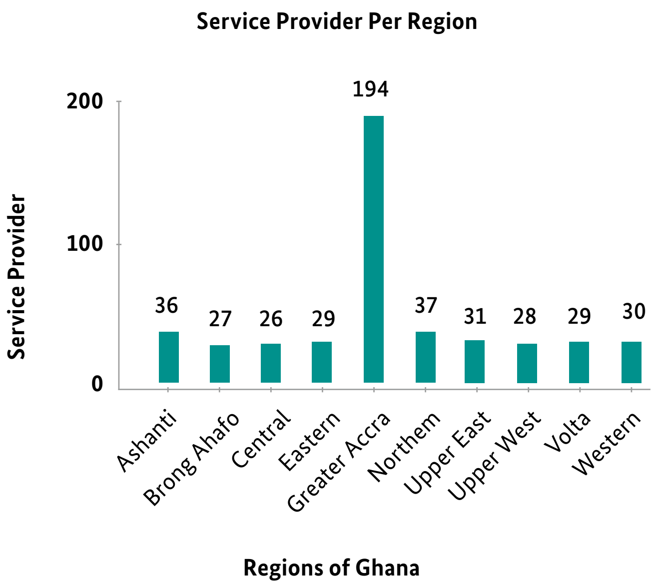
3 Kosmos Energy launched the Kosmos Innovation Center since 2016 has impacted more than 400 aspiring entrepreneurs and formed 11 promising start-ups.

2 Ghana-Oracle Digital Enterprise Program (GODEP) in partnership with Oracle Systems and the government aims at developing 500 digital start-ups.

Now in Ghana is it easier to get support wherever you are. With service providers present in every region of Ghana from Accra to Wa there is a hub and service provider close to you.

Support services providers range from hubs that offer workshops and events to companies specializing in consulting and coaching start-ups to international agencies that offer training.

Start-ups in or close to Accra do have an advantage of making use of the disproportionately more service providers in the country.



A Trip Down Memory Lane

Below is a brief history of Ghana's technology scene

2019	Google AI Research Centre, Mpedigree and mPharma win Skoll Awards ($1.5m), Orange Corners, SB Incubator, PEG Africa raises $5m in funding, Zipline Drone Delivery Network starts operations
2018	Mobile Money Interoperability, Agrocenta Wins Seedstars Global Competition ($500k), Ghana Innovation Hub, Ghana Tech Lab, Ghana Tech Summit
2017	All Nations University launches Ghana's first satellite into space, Digitization of Ghana Ports and Harbours, National Entrepreneurship Innovation Plan (NEIP) launched, Ghana Digital Address/GhanaPost GPS
2016	WorkShed, HapaSpace, Kumasi Hive, Ho Node, Tent Maker, Accra Digital Centre, Kosmos Innovation Center
2015	Digitization of Passport Office, MeQasa raises $500k
2014	Jumia and Lamudi begins (ecommerce), Surfline provides 4G network
2013	Hub Accra (now Impact Hub), iSpace, Google's Csquared Fiber Optic, MTN Apps Challenge, Tonaton (ecommerce), second submarine fibre optic cable connected
2012	First submarine fibre optic cable connected, Express pay launched
2011	iWallet/Slyde pay launched
2010	MEST Ghana (2008), Mobile Web Ghana, MTN Mobile Money (2009), Nandi Mobile, Google Trader Ghana (ecommerce,)
2005	Kofi Annan ICT Centre (2003), SMSgh/Hubtel launch, Ghana Multimedia Incubator Centre, Ghana Technology University College (2006)
2000	Busy Internet Cafe (2001)
Before 2000	SOFTtribe, Spacefon, Mobitel first private cellular phone service (1992)

Top Ghana- and Africa- Focused Tech Blogs and News Sites

Name	Website
Ghana Based	
Radio/TV Show	
Citi Trends (Citifm) *tech-focused radio show	*https://cititrending.tumblr.com*
Joy Business Van	*https://www.myjoyonline.com/business*
Blogs	
Business Insider - (Pulse) *often carries tech news	*https://www.pulse.com.gh/bi*
Gharage	*https://gharage.com*
JB Klutse	*https://www.jbklutse.com*
MacJordan	*http://macjordangh.com*
Mfidie	*https://mfidie.com*
Technova Ghana	*https://technovagh.com*

Name	Website
Pan African	
Apps Africa	*https://www.appsafrica.com*
Digest Africa	*https://digestafrica.com/feed*
Disrupt Africa	*http://disrupt-africa.com*
Forbes Africa	*https://www.forbesafrica.com/category/technology*
Tech Africa	*https://tech.africa*
TechCabal	*http://techcabal.com*
TechLoy	*https://medium.com/techloy*
TechMoran	*https://techmoran.com*
Techpoint Africa	*https://techpoint.africa*
Timbuktu Chronicles	*http://timbuktuchronicles.blogspot.co.ke*
VC4A	*https://vc4a.com*
Venture Burn	*https://ventureburn.com*
Weetracker	*https://weetracker.com*

Entrepreneurship Education in Ghana

The issue of whether entrepreneurship can be taught is often a topic of contention. Proponents believe entrepreneurship can be inculcated through learning whilst others believe it is rather an innate gift. The jury is still out there on the conclusion of this contention. However, entrepreneurial education can benefit individuals with or without the supposed "entrepreneurial gene". Entrepreneurship education can play a role in providing entrepreneurs with the tools and knowledge to develop with structured approaches to identifying viable business ideas and then support them in developing the skills required to launch and scale the business. Most courses offer information on core business functions such as finance, sales, marketing, management and accounting, not to mention, broader ranges of soft skills such as adaptability, effective communication, and presenting.

In Ghana there is an increasing gap between the number of jobs created and the youth population growing. By teaching entrepreneurship, especially at universities it enables the youth to view starting a business as a viable plan A and not as a backup.

Good entrepreneurship training prepares individuals for real life journey of being an entrepreneur, providing students with the opportunity to innovate, collaborate and demonstrate proficiency in real life situations.

Below is a list of some of the educational providers who provide courses in entrepreneurship and technology.

Name	URL	Offerings
Academic Institutions		
Academic City College	*https://acity.edu.gh*	Makerspace, Undergraduate: Computer Science, Engineering, Entrepreneurship, Research, Student Societies
All Nations University College	*https://anuc.edu.gh*	Undergraduate: Computer Science, Space Science, Entrepreneurship, Research, Student Societies
Ashesi University	*https://www.ashesi.edu.gh*	Undergraduate: Computer Science, Engineering, Entrepreneurship, Research, Incubation, Student Societies
Bluecrest College	*https://www.bluecrest.edu.gh*	Undergraduate: Information Technology, Computing Research, Student Societies, Hackathon
Central University	*https://www.central.edu.gh*	Undergraduate: Computer Science, Research, Student Societies
Ghana Technology University College	*https://site.gtuc.edu.gh*	Short Courses, Diploma, Undergraduate, Masters: Computer Science, Information Technology, Engineering, Research, Student Societies
Kwame Nkrumah University of Science and Technology	*https://www.knust.edu.gh*	Short Courses, Undergraduate, Masters, PhD: Computer Science, Engineering, Entrepreneurship, Research, Incubation, Student Societies, Hackathon
Lancaster University	*https://www.lancaster.edu.gh*	Undergraduate: Computer Science, Entrepreneurship, Research, Student Societies
Radford University College	*http://www.radforduc.edu.gh*	Undergraduate: Computer Science, Entrepreneurship, Research, Student Societies

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Name	URL	Offerings
Regent University College of Science and Technology	*https://regent.edu.gh*	Short Courses, Undergraduate, Masters: Computer Science, Engineering, Research, Student Societies
University of Cape Coast	*https://ucc.edu.gh*	Short Courses, Undergraduate, Masters: Information Technology, Entrepreneurship, Research, Incubation, Student Societies
University of Development Studies	*https://uds.edu.gh*	Short Courses, Diploma, Undergraduate, Post-graduate Diploma: Information Technology, Entrepreneurship, Research, Incubation, Student Societies
University of Ghana	*https://www.ug.edu.gh*	Short Courses, Undergraduate, Masters, PhD: Information Technology, Computer Science, Entrepreneurship, Research, Student Societies, Hackathon
University of Professional Studies, Accra	*https://upsa.edu.gh*	Short Courses, Undergraduate, Masters: Information Technology), Research, Incubation, Student Societies
Non-Academic Institution		
MEST Ghana	*https://meltwater.org*	Graduate-level Entrepreneurial Training Program: Software Engineering, Entrepreneurship
Kofi Annan ICT Centre	*https://www.aiti-kace.com.gh*	Certificate, Diploma: Software Engineering, Mobile Application Development, Internet of Things
NIIT Ghana	*https://www.niitghana.com*	Certificate, Diploma: Software Engineering, Web Development, Android Application Development
Ghana Tech Lab	*https://www.ghanatechlab.com*	Certificate: Block chain, AI, Crypto, Internet of Things

Identifying Market Opportunities

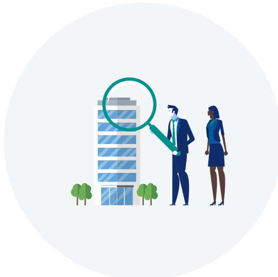
Across the continent, fintech is a popular sector with investors. This is also true in Ghana, with companies like Expresspay, Slydepay, Zeepay & Kudigo attracting significant investor interest.

Targeting Consumers

The most prominent tech start-ups globally are the ones people interact with on a daily basis, like Instagram, Venmo, WhatsApp. They target consumers, not businesses.

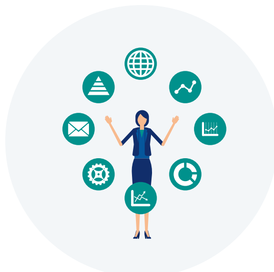
Many Ghanaian start-ups, however, find it difficult to crack the B2C market, where the costs of acquiring a new user is high and the typical user's spending power low. Besides the fast moving consumer goods (FMCG) companies, few companies have been able to tap into the B2C market successfully.

Targeting Businesses

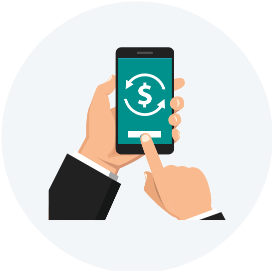


For these reasons, many of the start-ups in Ghana target businesses, who have more cash to pay for the start-ups' products and services; start-ups who start out as B2C end up pivoting to B2B or business to business to consumer (B2B2C). If your solution is a B2C one, potential investors will likely ask a lot of questions around how you plan to make money in a market where so many others have not had success.

Opportunities



Businesses exist to solve problems by providing solutions in return for cash. Where there are problems there are opportunities, businesses succeed when they can identify, evaluate and create solutions to problems at a price which people are willing to pay.



M-Commerce

With 58% of the population having a bank account mostly driven off by the rise of mobile money wallets, it enables for more commerce to be done relying on phones. Now customers in remote places can pay for services using mobile money. Transactions now cover everything from cinema tickets, utilities payments (electricity, water), telecoms (internet & call data) to church offerings.

E-Commerce

Income has been rising across West Africa and, according to Standard Bank, Ghana had approximately 1.3m middle-class households in 2014. This base will continue to support spending. Personal expenditure is set to achieve a compound annual growth rate of 12% between 2013 and 2020.

A rise of ecommerce from local firms such as Tonaton and OLX as well as Jumia, the African Amazon has benefited from this growth of the middle class. With more people having disposable income, their spending patterns gradually moving from necessities to convenience.

Additionally, as more time is spent at work, available time to go shopping decreases. With over 20 different e-commerce firms in the country, it is a clear indication that the opportunity is growing.

Logistics

Getting people and goods from point A to B is challenging in Ghana. With a growing middle class, Ghana is home to 3 of the largest ride hailing companies like Uber, Bolt (Formally Taxify) and Yango (Yandex Taxi) as well as local companies like Dropping & Yenko. Not just people but goods have to move too. The rise of catering companies has seen various delivery services needing to arise.

Agritech

Food security has become a major concern as the world's population increases and natural resources dwindles. With roughly 52% of the Ghanaian population involved in agriculture and agriculture being responsible for 54% of Ghana's GDP. With imports bill of $2.4 billion USD, there is a need to innovate and increase production. This requires the need for smart solutions, increase efficiency in farming and interventions across the farming value chain. Examples of some firms in the agriculture value chain include: AgroCenta (digital food distribution platform), TroTro Tractor (proving farmers Tractors as a Service), Profish (helping fishermen have access to market), Quali-Trace (insuring farm inputs are genuine), TechShelta (Greenhouse farming).

Tip: Roughly 30% of food goes to waste before it reaches the market. That is just one of the many challenges that the agriculture sector faces. There are many other opportunities throughout the value chain.

Scaling up - Regional Expansion ECOWAS now opens up to the rest of Africa AfCFTA

ECOWAS 3rd largest market globally, with a population of just under 350 million people, the Ecowas region would be the 3rd most populated in the world just after China and India and before the USA. With so many potentially customers, Ghanaian start-ups need to think about how to make the most of the opportunities at their door steps. The African Continental Free Trade Agreement AfCFTA creates an opportunity as it expands the potential clients of Ghanaian companies from 30 million within Ghana to 1.3 billion people within Africa. With the free movement for goods and services a Pan African mind-set for the business would need to come into place.

Tip: It may take a while for the AfCFTA to be fully operational due to limitations in infrastructure however technology companies do not face the same obstacles as traditional brick and mortar businesses. Therefore AfCFTA could become a reality for tech companies earlier than we think.

Be Local, Sell Global

Being based in Ghana, does not limit where your sales take place. An example is DEXT Technology Ltd which created the Science Set. Built in Ghana, it is not only sold locally but regionally and internationally including United States, Belgium and across 500 schools in the UK.

Chapter V.
Investor Directory

Chapter V: Investor Directory

The following is a list of funders that fund tech and tech-enabled start-ups in Ghana. The data collected was sourced from various platforms such as CrunchBase, Angel list, AlliedCrowds Capital Finder and interviews with various angel investors and institutions. There is also a section that provides information on local incubator and accelerator programs that provide some financial support. This guide should provide you with enough information to begin your search for investors, remember you are looking for three key things.

Please note some responses have been edited for clarity and due to space constraints.

Hubs and programs that provide financial support

Company Name	**CAMFED/ Mastercard Scholars Entrepreneurship Fund**
Website	*https://camfed.org*
E-Mail	*ghana@camfed.org*
Year Founded	2019
Average Investment Size	*Maximum of $4k (GHS20k)*
Sector of Interest	Agri-business/agro-processing, arts and craft, hospitality, media and communications, social enterprises
Type of Capital	Grant
Selection Criteria	Young women in the rural communities in certain regions (Northern, Upper East, Upper West and Central regions). Must have completed secondary and tertiary education
Investor Vision	*"Enable young women to transition from school to entrepreneurship, further study and transformative leadership in Ghana."*
Services Additional to Funding	Training, start-up kits, internships, peer mentoring and tailored business advisory support from the National Board for Small Scale Industries (NBSSI), successful entrepreneurs from CAMFED's Innovation Bursary Program and other institutions.
About	CAMFED Ghana has an ongoing 10-year partnership with the Mastercard Foundation called the Mastercard Foundation Scholars Program. The partnership between the two organizations is underpinned by shared values and commitment to the provision of quality education and comprehensive support to academically-gifted young women in the rural communities within CAMFED's operational regions.
Country	Ghana

Company Name	**Ghana Climate Innovation Centre**
Website	*http://www.ghanacic.org*
E-Mail	*aalidu@ghanacic.org*
Year Founded	2016
Average Investment Size	*$40k (GHS 200k)*
Sector of Interest	Energy efficiency & renewable energy, solar power, climate smart agriculture, domestic waste management, water management and purification
Type of Capital	Grant
Selection Criteria	Should be in one of the focus areas Energy efficiency, domestic waste management, solar energy, water supply management and purification, climate smart agriculture. If shortlisted a psychometric test and a presentation to teamhave to be carried out.
Investor Vision	*"Our mission is to develop and support an exceptional set of transformational ventures and entrepreneurs who are pioneering adaptive and mitigating solutions for climate change issues in Ghana."*
Services Additional to Funding	Provision of premium business advisory and business mentoring services, technical support in the development, prototyping and testing of their innovation, as well as financial Proof of Concept grants to qualifying SMEs
About	Founded in 2016, GCIC is a pioneering business incubator with a unique focus of developing SME ventures and entrepreneurs in Ghana's 'Green Economy'.
Country	Ghana

Company Name	**Ghana Innovation Hub**
Website	*https://ghanainnovationhub.com*
E-Mail	*info@ghanainnovationhub.com*
Year Founded	2018
Average Investment Size	*$1k - $10k (GHS5k- GHS50k)*
Sector of Interest	Sector Agnostic
Type of Capital	Grant
Selection Criteria	Our selection criteria are: A problem-based business idea – focused on customer needs, but with the potential for a commercially viable model (Technical) skills with the entrepreneur or in the team Ideally the entrepreneur has tested the idea in the market or even started first operations Availability for selection days, program dates and availability to work on market validation (with your team) during the three months Located in the greater Accra region and/or be able to pay for own transport to- and from the Ghana Innovation Hub Preference will be given to those who have not participated in previous programs
Services Additional to Funding	Co-working space, coaching, training
About	At the Ghana Innovation Hub we believe in the power of businesses and the power of technology to improve business operations. In order to help develop innovative businesses, we work to improve the quality and availability of support services and access to finance in the Ghanaian ecosystem. The hub offers physical working space, as well as business development services, investment matchmaking and ecosystem support.
Country	Ghana

Company Name	**Ghana Tech Lab**
Website	*https://www.ghanatechlab.com*
E-Mail	*akwaaba@ghanatechlab.com*
Year Founded	2018
Average Investment Size	*$1.8k - $2.7k (GHS10k- GHS15k)*
Sector of Interest	AI, blockchain, robotics, cybersecurity, IoT and Virtual Reality
Type of Capital	Grant
Selection Criteria	Ghana Tech Lab is a technology-oriented organisation that trains people interested in using technology to build their own business
Services Additional to Funding	Co-working, robotics lab, AI lab, maker space, creative space
About	We are taking simple ideas and turning them into big startups. Our goal is to become the platform for digital innovations in Africa and beyond. Our unique programs and curriculum are designed to make your idea a product/ solution that addresses a situation in the society. We inspire innovation, creativity and ideation. We inspire exceptional stories.
Country	Ghana

Company Name	**iCode**
Website	*icodegh.com*
E-Mail	*info@icodegh.com*
Year Founded	2017
Average Investment Size	*Seed funding*
Sector of Interest	Tech
Selection Criteria	Unemployed youth (18 - 35yrs), idea stage entrepreneur, early stage startup entrepreneur, university graduates
Services Additional to Funding	Co-Working, training, network
About	iCode provide Start-up training and incubation, IT training and mentorship and support the growth of members in our community through networking and capacity building.
Country	Ghana

Company Name	**Innohub Accelerator**
Website	*http://www.innohub.com.gh/programs.php*
E-Mail	*connect@innohub.com.gh*
Year Founded	2015
Average Investment Size	*\$0 - \$20k, \$20k - \$50k (GHS0 - GHS100k, GHS100k - GHS 250k)*
Sector of Interest	Tech-Sector Agnostic
Type of Capital	Grant, Equity, mezzanine, convertible note
Selection Criteria	1. Startup should demonstrate a high growth-potential with significant profitability and measurable social impact. 2. They must also have early customers or revenues with an ability to scale.
Investor Vision	*"Help more indigenous startups to scale globally."*
About	Innohub is a Business Accelerator and Impact Investment Platform that helps SMEs with high growth and high impact potential to become investment ready, sustainable and scalable in order to achieve profitability and social impact
Country	Ghana

KOSMOS INNOVATION CENTER

Company Name	**Kosmos Innovation Center**
Website	*https://www.kosmosinnovationcenter.com*
E-Mail	*KIC-Ghana@kosmosenergy.com*
Year Founded	2016
Average Investment Size	*$50k (GHS 250k)*
Sector of Interest	Agritech
Type of Capital	Equity
Selection Criteria	1. Must have an entrepreneurial spirit 2. An interest in technology 3. You want to make a difference in the agricultural sector in Ghana
Investor Vision	*"The Kosmos Innovation Center (KIC) invests in young entrepreneurs and small businesses who have big ideas and want to see their country grow. Since its inception, the KIC has focused on innovation in agriculture – the country's most important sector and largest employer. More than 400 aspiring entrepreneurs have participated in KIC Ghana programs, resulting in the creation of 11 promising start-ups that have gone on to secure seed funding, additional business training, and capital investment."*
Services Additional to Funding	Incubation
About	At Kosmos Energy, we know what it's like to see an opportunity, pursue a dream, and grow a business. That's why the Kosmos Innovation Center invests in young entrepreneurs and small businesses. We empower entrepreneurs to turn their ideas into viable, self-sustaining businesses and we work alongside promising small businesses to help them scale and reach their full potential. Your ideas. Our support. Everyone's future.
Country	Ghana

KUMASI HIVE

Company Name	**Kumasi Hive**
Website	*https://kumasihive.com*
E-Mail	*kumasihive@gmail.com*
Year Founded	2015
Average Investment Size	*$100 - 1k (GHS 500 - 5000)*
Sector of Interest	Internet of Things (IoT) academy, drone school, hardware garage, chatbot academy, the blockchain school and agrictech academy
Type of Capital	Grant
Selection Criteria	Commitement and availiability
Services Additional to Funding	Co-working, incubation, training, acceleration, maker space
About	Kumasi Hive is an innovation hub which provides the platform rapid prototyping of ideas, supporting local Innovations & impact start-up and promoting entrepreneurship.
Country	Ghana

Company Name	**Meltwater Entreprenuership School of Technology (MEST) Ghana**
Website	*https://meltwater.org*
E-Mail	*info@meltwater.org*
Year Founded	2008
Average Investment Size	*$100k (GHS 500k)*
Sector of Interest	E-commerce, to agritech, fintech, healthtech, AI
Type of Capital	Equity (Usually 30%)
Selection Criteria	1. Demonstrated leadership abilities 2. Ability to meet goals and deadlines 3. Demonstrated personal drive, stamina, and self-motivation 4. Confidence and independent thinking 5. Excellent people skills
Investor Vision	*"We're looking for ambitious, driven entrepreneurs with a strong desire to build a scalable software company."*
Services Additional to Funding	Incubation
About	MEST is a Pan-African entrepreneurial training program, seed fund, tech incubator and hub. Our mission is to create jobs and wealth in Africa by training, supporting and investing in the continent's most promising software entrepreneurs.
Country	Ghana

Stanbic Bank
A member of Standard Bank Group

Company Name	**SB Incubator**
Website	*www.sbincubatorgh.org*
E-Mail	*incubator@stanbic.com.gh*
Year Founded	2019
Average Investment Size	*Varies*
Sector of Interest	Sector agnostic
Type of Capital	Debt
Investor Vision	*Through SBIncubator Ghana we hope to drive Africa's growth, as it is our home. The Incubator is driven strongly by the purpose of Stanbic Bank's existence; "Africa is our home, we drive her growth."*
Services Additional to Funding	Training, access to market, access to finance, hackathons, incubation, acceleration, working space
About	The Stanbic Bank Incubator (SBIncubator) is 3rd Generation Business Incubator, a Corporate Social Initiative set up by Stanbic Bank Ghana, a member of the Standard Bank Group to contribute towards the promotion of entrepreneurship among the youth and women in Africa
Country	Ghana

Company Name	**The Baobab Network**
Website	*https://thebaobabnetwork.com*
E-Mail	*team@thebaobabnetwork.com*
Year Founded	2016
Average Investment Size	*$25k (GHS125k)*
Sector of Interest	Tech-enabled business
Type of Capital	Equity (10%)
Selection Criteria	1. You shoud have a strong team of exceptional founders who deeply understand the local markets and are highly ambitious as well 2. You should be solving a big and gnarly problem with high impact in solving social problems 3. You should be at the seed stage and possess a prototype or MVP 4. Your technology should be scalable at the global stage 5. You must be able to prove your business model will improve lives and create sustainable growth
Investor Vision	*"Investing in the next generation of African tech entrepreneurs."*
Services Additional to Funding	Global network of corporate partners and investors
About	We are a tech accelerator that backs early stage ventures across Africa. We have offices in London, Kenya, Ghana, Rwanda, Ethiopia and South Africa.
Country	Ghana

Company Name	**UWAT (Unlocking Women and Technology)**
Website	*www.unlockingwat.com*
E-Mail	*incubator@stanbic.com.gh*
Year Founded	2017
Average Investment Size	*$2k (GHS10k)*
Sector of Interest	Sector agnostic
Type of Capital	Grant
Selection Criteria	All women with a dream of becoming an entrepreneur with skills in Business Development, Creative design and Website Development (Coding)
Services Additional to Funding	Mentorship, capacity building, additonal support
About	An intiative of Ispace, Ghana to equip women with Coding, Business Management, Professional Networking and Pitching Skills and access to Funding to kick start their businesses
Country	Ghana

Institutional Investors that provide funds for start-ups

Company Name	**4DX**
Website	*www.4dxventures.com*
Year Founded	2017
Country/Focus	Africa
Average Investment Size in USD	*$50k-$5m (GHS250k - GHS 25m)*
Sector of Interest	Technology-enabled businesses
Type of Capital	Equity
About	4DX Ventures is an early stage venture firm focused on Africa. We partner with world class entrepreneurs leveraging technology to build transformative businesses
Country	Ghana

ACCION

Company Name	**Accion Venture Lab**
Website	*https://www.accion.org/venturelab*
E-Mail	*kmounts@accion.org*
Year Founded	2012
Country/Focus	Pan Africa/Global
Average Investment Size in USD	*$300k - 500k (GHS1.5m - GHS 2.5m)*
Sector of Interest	Fintech
Type of Capital	Equity
Management Control	Board director or observer when appropriate
Investor Vision	*"Expand access, improve quality and decrease cost of financial services for the underserved."*
Funding Goals	Building a financially inclusive world with economic opportunity for all, by giving people the financial tools they need to improve their lives
Services Additional to Funding	Board level and direct portfolio company support - portion of team is designated to assisting with operational challenges including but not limited to customer acquisition strategies, product/pricing, technical, HR, partnerships/business development
Country	USA

Company Name	**Accra Angel Investors Network**
Website	*http://www.accraangels.org*
E-Mail	*connect@accraangels.org*
Year Founded	2019
Country/Focus	Ghana
Average Investment Size in USD	*$20k - $250k (GHS 100k - GHS1.25m)*
Sector of Interest	Tech enabled business, sector agnostic
Average time to close a Deal	6 - 9 months
Type of Capital	Equity, convertible notes, revenue share
Average Time to exit	3 - 5 years
Type of Exit Sought	Self liquidating
Funding Goals	Focus on what customers value most food (value addition), fashion, education, shelter, health
Technical Experience	Angels
Services Additional to Funding	Mentoring + Networks
About	Accra Angels Network provides the platform for 'mid-to-high' net worth individuals or institutions to invest their funds and resources in Ghanaian based early stage businesses, which have a significant growth potential, a latent ability to generate disproportionate returns, and demonstrable social and economic impact.
Country	Ghana

Company Name	**Acumen Fund**
Website	*https://acumen.org*
E-Mail	*media@acumen.org*
Year Founded	2001
Country/Focus	East Africa, West Africa, America, Latin America, India, Pakistan, Latin America
Average Investment Size in USD	*$750k (GHS 3.75m*
Sector of Interest	Agriculture, financial inclusion, education, energy, health, housing, water
Average time to close a Deal	4 - 6 months
Type of Capital	Equity, loans, and mezzanine
Average IRR Sought	17%
Average Time to exit	7 - 10 years
Type of Exit Sought	Trade sale, management buyout, sale to co-investor
Management Control	Board seats/management control
Investor Vision	*Changing the way the world tackles poverty*
Funding Goals	Bridging the gap between the efficiency and scale of market-based approaches and the social impact of pure philanthropy
Entrepreneurship Experience	Combined 20 years experience
Technical Experience	Combined 50 years experience
Services Additional to Funding	Leadership development program/lean data (impact measurement)/ post investment management support
About	Acumen was incorporated on April 1, 2001, with seed capital from the Rockefeller Foundation, Cisco Systems Foundation and three individual philanthropists. Our desire was to transform the world of philanthropy by looking at all human beings as members of a single, global community where everyone had the opportunity to build a life of dignity. The organization would invest "Patient Capital," capital that bridges the gap between the efficiency and scale of market-based approaches and the social impact of pure philanthropy, in entrepreneurs bringing sustainable solutions to big problems of poverty.
Country	USA

Company Name	**Africa Enterprise Challenge Fund (AECF)**
Website	*http://www.aecfafrica.org*
E-Mail	*info@aecfafrica.org*
Year Founded	2008
Country/Focus	Sub-Saharan Africa
Average Investment Size in USD	*$250k - 1.5m (GHS 1.25M - GHS7.5M)*
Sector of Interest	Agriculture, renewable energy
Average time to close a Deal	6 months
Type of Capital	Grants/zero interest loans on a challenge model
Average IRR Sought	0% on loans
Average Time to exit	6 years
Average IRR Sought	17%
Type of Exit Sought	6 years
Investor Vision	*To unlock the power of the private sector to transform the lives of rural and marginalized communities in Africa*
Funding Goals	Reducing rural poverty, promoting resilient rural communities and creating jobs through private sector development
Entrepreneurship Experience	AECF has invested in over 250 enterprises in sub-Saharan Africa across 24 countries
Services Additional to Funding	Assistance with financial management and business reporting; specialised technical assistance in selected cases; brokerage and transaction services to investees to match them to external commercial and impact investors and to secure follow-on capital
Country	Kenya

Company Name	**Africa Tech Ventures**
Website	*http://www.africatechventures.co*
E-Mail	*info@africatechventures.co*
Year Founded	2016
Country/Focus	East Africa, Nigeria, Ghana, Southern Africa
Average Investment Size in USD	*$100k - $5m (GHS500k - GHS25m)*
Sector of Interest	Tech enabled in sectors of agriculture, education, employment, financial inclusion, healthcare and infrastructure
Average time to close a Deal	3 months
Type of Capital	Equity
Average IRR Sought	25%
Average Time to exit	6 - 8 years
Type of Exit Sought	Trade sale or sale to another investors
Management Control	Board seat, minority interest, standard minority investor protections
Investor Vision	*We aim to provide both capital and support in areas of HR, partnerships, sales, strategy and expansion, helping to build scalable businesses and number 1-3 players in their niche, and thereby creating superior financial returns and real impact through increased access of affordable essential goods and services and job creation*
Funding Goals	To accelerate the growth and scalability of innovative tech-enabled businesses

Entrepreneurship Experience	50% of our team has entrepreneurial experience
Technical Experience	50% of our team has proven track record in investing; and all of our team has worked in/ with tech businesses before
Services Additional to Funding	Board seat comes with advice on finance, HR, strategy, opening networks; we sit with our businesses almost weekly to see where else we can help: recruiting, clients introductions, partnership introductions, improve financial reporting, etc. Then we can attach 3 month interns and longer term venture partners to assist with specific projects
About	Africa Tech Ventures (ATV) is founded by a group of passionate investors and entrepreneurs with a solid track record of doing business and investing in Africa. We believe that scalable innovative businesses are the drivers to economic growth and prosperity and that technology can accelerate the pace at which people gain access to essential goods and services.
Country	USA

AFVEST

Company Name	**Afvest**
Website	*http://www.afvest.co*
E-Mail	*info@afvest.co*
Year Founded	2008
Country/Focus	Sub-Saharan Africa
Average Investment Size in USD	*$100k (GHS 500k)*
Sector of Interest	Sector-agnostic
Average time to close a Deal	2 - 3 months
Type of Capital	Equity
Average IRR Sought	25%
Average Time to exit	Indefinite; a long-term view (investments with no plans to exit)
Type of Exit Sought	We do not take up stakes with an intention to exit; we would, however, prefer the IPO route should we want to exit
Management Control	Board seats
Investor Vision	*To back companies with a differentiated value proposition, strong and highly-accountable management teams with a passion to grow their businesses using innovative models that disrupt incumbents*
Funding Goals	We look to commit capital at reasonable valuations and believe in working closely with our portfolio companies through all stages of their development
Entrepreneurship Experience	Over 20 years
Technical Experience	Over 30 years
Services Additional to Funding	We seek to add value to our Fund's investment positions through active investment management, deep involvement in the operations of the business and participation in all issues affecting an investment's outcome
Country	Kenya

Company Name	**coLABS, Gray Matters Capital**
Website	*http://graymatterscap.com/colabs*
E-Mail	*colabs@graymatterscap.com*
Year Founded	2018
Country/Focus	Africa
Average Investment Size in USD	*\$100k - \$250k (GHS 500k - GHS 1.25m)*
Sector of Interest	General tech, agri tech, fin tech, security, blockchain, logistics, green tech, SDG focus, marketplace, hardware, education, health tech
Average time to close a Deal	3 - 4 months
Type of Capital	Revenue share
Average IRR Sought	We seek to receive 3x our initial investment in revenue payments.
Average Time to exit	5 years
Type of Exit Sought	Revenue exit
Management Control	N/A
Investor Vision	*Investing in enterprises that are building inclusive and prosperous futures for women and girls.*
Funding Goals	coLABS has committed \$5 million over the next 3 years to invest in early-stage entrepreneurs to dramatically improve the lives of 1 million women and girls.
Entrepreneurship Experience	Over 20 years
Technical Experience	Over 20 years
About	Gray Matters Capital is an impact investing foundation founded by Bob Pattillo. Its mission is to achieve "An education leading to a purpose filled life for 100, Million Women by 2036."
Country	USA

Company Name	**Consonance Investment Managers**
Website	*https://www.consonanceinvest.com*
E-Mail	*info@consonanceinvest.com*
Year Founded	2017
Country/Focus	Sub-Saharan Africa
Sector of Interest	Food and distribution systems, access to finance, power, healthcare, education, culture and media, real estate, financial markets infrastructure, logistics, technology infrastructure services
Type of Capital	Equity
Investor Vision	*Our portfolio companies have what it takes to become market leaders.*
Funding Goals	We are looking for entrepreneurs and teams solving problems that meet a fundamental need of society.
Entrepreneurship Experience	80% of our team have founders that have an advanced Masters or PhD degree
Technical Experience	We have led investments in 90% of our portfolio companies. Our founders have lived and worked in Africa for over 10 years
Services Additional to Funding	Enterprise Formation and Value Creation team provides early crucial support to our companies. Informatics team helps procure hyper-local primary information and data across all our target industries where data is unavailable through on the ground research, surveys, focus groups etc.
About	Consonance Investment Managers was founded to answer the key question, How can we leverage Africa's human capital? Our Investment philosphy and the business characteristtics we seek align with three key concepts that are essential ingredients in fostering private sector development in Africa: Collaboration, Trust and Innovation.
Country	Mauritius

CRE

Company Name	**CRE Venture Capital**
Website	*https://www.cre.vc*
E-Mail	*info@cre.vc*
Year Founded	2014
Country/Focus	Africa
Average Investment Size in USD	*$250k-$100m (GHS 1.25m- GHS 500m)*
Sector of Interest	Tech
Technical Experience	Years of experience in investment experience with firms such as EL Rothschild, Bain & Company, Emerging Capital Partners and at Temasek Holdings
Services Additional to Funding	Network
About	We bring the full arsenal of our capital, relationships, and experience to position the teams we work with for outsized success.
Country	South Africa

Company Name	**Energy Access Ventures**
Website	*http://www.eavafrica.com*
E-Mail	*info@eavafrica.com*
Year Founded	2015
Country/Focus	All of Sub Saharan Africa except South Africa
Average Investment Size in USD	*$8m (GHS 40m)*
Sector of Interest	Energy ecosystem
Average Time to exit	5 - 7 years
Type of Exit Sought	Equity
Management Control	Board seat, hands-on management
Investor Vision	*EAV is an Africa-based venture capital firm. We partner with entrepreneurs building scalable companies that employ technologies and innovative business models to improve industrial productivity and consumer benefit in Africa*
Funding Goals	Overcome the lack of access to electricity in Sub-Saharan Africa
Entrepreneurship Experience	Yes, the team has extensive entrepreneurial experiences in Africa
Technical Experience	The team has technical experience too
Services Additional to Funding	Strategic hands-on management, technical assistance, and access to a broad network
Country	Kenya

eVA Fund eVentures Africa Fund

Company Name	**eVentures Africa Fund**
Website	*http://www.eva-fund.com*
E-Mail	*info@eva-fund.com*
Year Founded	2010
Country/Focus	Sub-Saharan Africa
Average Investment Size in USD	*$100k - 1m (GHS 500k- GHS 5m)*
Sector of Interest	Internet/mobile apps/e-commerce
Average time to close a Deal	3–6 months
Type of Capital	Equity and mezzanine
Average IRR Sought	20%
Average Time to exit	4 - 6 years
Type of Exit Sought	Trade sales
Management Control	Board seat
Investor Vision	*The ultimate goal of eVA Fund is investing capital and knowledge to strengthen small and medium sized internet related enterprises thus securing and creating jobs and income for large African communities and with that, generating attractive financial returns for investor*
Funding Goals	Strengthen small and medium sized internet-related enterprises thus securing and creating jobs and income for large African communities
Entrepreneurship Experience	Extensive
Technical Experience	Extensive
Services Additional to Funding	Mentoring
About	eVA Fund, Launched in 2016, is dedicated to mobilize capital and sustainable tech experience to invest in small and medium sized African internet related companies. eVA Fund focusses on development in terms of capital and business development support, i.e. knowledge, experience, access to proven business concepts/applications, and network
Country	Holland

Company Name	**EWB Ventures (Engineers without Borders Canada)**
Website	*https://www.ewb.ca*
E-Mail	*investments@ewb.ca*
Year Founded	2012
Country/Focus	Ghana, Côte d'Ivoire, Uganda, Kenya
Average Investment Size in USD	*$50k - $150k (GHS 250k- GHS 750k)*
Sector of Interest	We are sector-agnostic: General tech, agri tech, fin tech, blockchain, logistics, green tech, SDG focus, marketplace, education, health tech
Type of Capital	Loan, equity, mezzanine, convertible note, revenue sharing loan
Average Time to exit	5 - 7 years
Type of Exit Sought	Take over, Revenue exit, Management buy out, sale to other investor
Management Control	Board observer or board seat, voting rights
Investor Vision	*Our vision is a world where everyone's basic needs are met and where everyone can live to their full potential. Our mission is to catalyze changes that address the root causes of poverty and inequity by investing in people and ideas that will contribute to building an equitable and sustainable world.*
Services Additional to Funding	Business development. Financial modelling. Talent acquisition. Investor-preparation. Leadership training and mentoring.
About	EWB ventures is a seed-stage investment vehicle designed to nurture early-stage enterprises with a pioneering approach to a range of social challenges.The EWB ventures program makes customized, long-term investments of up to $100,000 USD in first-of-kind scalable social enterprises with the potential to positively impact millions of people living in poverty
Country	Canada

Company Name	**GreenTec**
Website	*https://greentec-capital.com/start-ups*
E-Mail	*nigeria@greentec-capital.com*
Year Founded	2015
Country/Focus	Sub-Saharan Africa
Average Investment Size in USD	*$100k - $500k (GHS 500k - GHS 2.5m)*
Sector of Interest	Agriculture, sustainable resources, digitalization, SDG
Average time to close a Deal	3 months
Type of Capital	Equity (Results4Equity approach)
Average IRR Sought	>20%
Average Time to exit	4 - 5 years
Type of Exit Sought	Various
Management Control	Being an active part of the team, board seat possible
Investor Vision	*GreenTec Capital Partners invests in African start-ups and SMEs with a focus on combining social and environmental impact with financial success. Jointly, we seek to transform innovative local businesses with a proof-of-concept into successful and sustainable enterprises that have growth perspective in Africa and beyond. We do more than just invest: we provide tailor made support to entrepreneurs and guide them through start-up funding gaps and early crucial phases.*
Funding Goals	We want to give up to 15 companies per year access to our model, resources and funding
Entrepreneurship Experience	Capital is built by entrepreneurs for entrepreneurs; cumulative experience of 50+ years
Technical Experience	Our company building team has significant technical experience and involves our partner network where appropriate
Services Additional to Funding	We provide custom-tailored operational support to transform companies and help them create the additional added value necessary to bridge funding gaps and early crucial phases.
About	Green Tech Capital Partners is a investment firm that has a consolidated value of 84 million dollars in companies supported
Country	Germany

Company Name	**Global Partnerships/Eleos Social Venture Fund**
Website	*http://www.globalpartnerships.org/social-venture-fund/*
E-Mail	*info@globalpartnerships.org*
Year Founded	1994
Country/Focus	Sub-Saharan Africa
Average Investment Size in USD	*$100k - $350k (GHS 500k - GHS 1.75m)*
Sector of Interest	Education, energy, health, livelihoods, sanitation, water
Average time to close a Deal	6 - 9 months
Type of Capital	Preferred equity, convertible debt, revenue-based securities, demand dividend securities, oth
Average IRR Sought	Capital preservation with up to 2.50% annual return
Average Time to exit	7 - 10 years
Type of Exit Sought	Acquisition, revenue-based
Management Control	The size of the Fund's holdings in a particular issuer, or contractual rights obtained by the Fund in connection with an investment, may enable the Fund to designate one or more directors to serve on the boards (or comparable governing bodies
Investor Vision	*The Social Venture Fund (SVF) invests impact-led capital in early stage social businesses in sub-Saharan Africa. The Fund seeks to return capital to investors with a modest return.*
Funding Goals	Expand opportunity for people living in poverty in East Africa
Entrepreneurship Experience	Jim Villanueva, the SVF's Managing Director, is a longtime entrepreneur and investor in growth companies
Technical Experience	In his role as Executive Director of the Eleos Foundation, Villanueva provided enterprise support to a portfolio of 10+ social enterprises
Services Additional to Funding	SVF extends enterprise support to portfolio companies in the form of business and marketing mentorship as well as fundraising support
Country	USA

Company Name	**Golden Palm Investments**
Website	*https://www.gpalminvestments.com*
E-Mail	*jen@gpalminvestments.com*
Year Founded	2008
Country/Focus	Sub-Saharan Africa
Average Investment Size in USD	*$2m - $4m (GHS 10m - GHS20m)*
Sector of Interest	Real Estate, healthcare, agribusiness and technology
Type of Capital	Equity
Average IRR Sought	10x over a 5 - 7 year period
Average Time to exit	5 - 7 year or till IPO
Type of Exit Sought	Type of exit: secondary sales, IPO, strategic sale
Management Control	Board Seat
Investor Vision	*At GPIC our mission is to alleviate the most pressing issues in Africa through investment in brilliant entrepreneurs and innovative solutions. We view technology as a fundamental driver of development within numerous sectors across Africa. We provide a platform for the best and brightest to leverage technology in building new markets and reshaping existing ones.*
Entrepreneurship Experience	GPIC is led by a management team with outstanding experience across the globe
About	Golden Palm Investments Corporation "GPIC" is a Pan-African investment holding company that invests in early stage venture and growth capital across the African continent. While generalist in focus, GPIC has traditionally focused on Real Estate, Healthcare, Agribusiness and Technology
Country	Ghana

Company Name	**GSMA**
Website	*https://www.gsma.com/mobilefordevelopment/agritech/innovation-fund*
E-Mail	*AgriTechFund@gsma.com*
Year Founded	2009
Country/Focus	Africa
Average Investment Size in USD	*$250k (GHS1.25m)*
Sector of Interest	Sector agnostic - tech-enabled companies
Type of Capital	Grant
Investor Vision	*1. Establish partnerships between operators and start-ups in order to increase the reach of innovative mobile services* *2. Test business models with the greatest potential for growth* *3. Provide lessons and examples for stakeholders within the ecosystem, on the ways in which mobile is driving positive socioeconomic change*
Services Additional to Funding	24 moths of support. In-kind support and consultancy to assist the development of business plans, and service implementation through market research, user-centric design, business intelligence, user-testing with agribusiness staff and smallholders.
About	The GSMA Innovation Fund for Digitisation of Agricultural Value Chains aims to scale digital solutions for the agricultural last mile and improve smallholders' financial inclusion, livelihood and climate resilience.
Country	UK

Company Name	**IFC Venture Capital**
Website	*http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Venture+Capital*
Year Founded	1956
Country/Focus	Global
Average Investment Size in USD	*$3m minimum (GHS 15m minimum)*
Sector of Interest	Our focus verticals are healthcare, edu-tech, internet —including ecommerce—and clean-tech
Management Control	Board seats
Services Additional to Funding	Any assistance required by our portfolio companies to help them grow; this includes access to networks, additional funding, mentorship, building capacity, etc.
About	IFC's Venture Capital group invests in ventures and growth stage companies that offer innovative technologies or business models geared at emerging markets
Country	USA

Company Name	**Investisseurs & Partenaires I&P**
Website	*http://www.ietp.com*
E-Mail	*f.owusu@ietp.com*
Year Founded	2002
Country/Focus	Sub-Saharan Africa
Average Investment Size in USD	*$30k - $3m (GHS 150k - GHS 15m)*
Sector of Interest	Sector agnostic & impact focus
Average time to close a Deal	4 - 6 months
Type of Capital	Equity, quasi equity
Average IRR Sought	Deal specific
Average Time to exit	5 - 7 years
Type of Exit Sought	Promoter, another fund, stragetic buyer
Management Control	Board seat
Investor Vision	*Supporting the emergence of a new generation of African entrepreneurs*
Funding Goals	In the ten years to come, our aim is to contribute to create or develop at least 600 projects, create at least 20,000 jobs and make a difference in the lives of at least 200,000 people, as well as to demonstrate the viability of our model and plead the case of Africa in the world.
Entrepreneurship Experience	France
Country	France

Company Name	**Ingressive Capital**
Website	*https://ingressivecapital.com*
E-Mail	*investments@ingressive.co*
Year Founded	2017
Country/Focus	Nigeria, Kenya, Ghana, Rwanda or South Africa
Average Investment Size in USD	*$50k - $250k (GHS 250k - GHS 1.25m)*
Sector of Interest	Sector agnostic - tech-enabled companies
Average time to close a Deal	3 months
Type of Capital	Equity
Average IRR Sought	30%
Average Time to exit	5 - 7 years
Type of Exit Sought	Acquistion
Management Control	No management control sought
Funding Goals	We trust founders and once we trust founders we proceed with that trust and allow them to build companies by connecting them to our network to help then grow
Services Additional to Funding	Access to 10k+ talent pool of developers & designers Business development & partnerships support through our and our investors' network Follow-on funding & access to international capital Platform to showcase
About	We provide follow-on funding with our own investor base, who run some of the leading funds in the world. We look for post-launch founders with a great product, solving a big problem, and work with them on ways to grow and scale through business development, partnerships and financial support.
Country	UK

KFW DEG

Company Name	**KFW DEG**
Website	*https://www.deginvest.de/upscaling*
E-Mail	*KfW.Accra@kfw.de*
Year Founded	2013
Country/Focus	Africa and India
Average Investment Size in USD	*$615k (GHS 3.075m)*
Sector of Interest	Sector-agnostic; focus on innovative firms
Average time to close a Deal	5 - 6 months, depending availability of client documentation/models to Close a Deal
Type of Capital	Repayable grant; to be repaid in 5 years if agreed milestones are met
Average Time to exit	Max 5 years
Type of Exit Sought	Repayment in two equal tranches
Management Control	Passive investor, but do track whether company is on track to repay grant
Investor Vision	*With the Up-scaling programme, DEG finances investments of small and medium enterprises (SMEs) that intend to scale up innovative business models with high developmental impact. The programme addresses companies whose financing needs lie somewhere between microfinance and the traditional financing by commercial banks.*
Funding Goals	DEG provides funding of €500,000 which constitutes a maximum of 50% of the total investment volume. Private sponsors must contribute the matching equity. DEG's funds must be repaid in the event of success of the investment (depending on pre-defined financial criteria such as cash flow, revenue or profit)

Entrepreneurship Experience	Limited
Technical Experience	Professional investors
Services Additional to Funding	Access to DEG network
About	KFW DEG finances long-term investments of private companies in developing and emerging-market countries. As one of the world's largest development finance institutions, it promotes private sector companies to contribute to sustainable economic growth and improved living conditions in these countries.
Country	Germany

Company Name	**Kima Ventures**
Website	*https://www.kimaventures.com*
E-Mail	*jean@kimaventures.com*
Year Founded	2010
Country/Focus	Any
Average Investment Size in USD	*$150k - $1m (GHS750k - GHS 5m)*
Sector of Interest	Mobile, internet, software, e commerce, saas, apps,
Average time to close a Deal	15 days for 150k
Type of Capital	Equity
Investor Vision	*Backing ambitious founders who work hard to build awesome things that more and more people use everyday*
Entrepreneurship Experience	Over the last 5 years Kima has invested in over 400 startups in 24 different countries
Services Additional to Funding	Network, support, experts
About	Kima Ventures is one of the world's most active early-stage investors, investing in 2 to 3 startups per week all over the world; providing founders with funding, network, and support for them to reach the next steps of their journey.
Country	France

Company Name	**Mircotraction**
Website	*https://www.microtraction.com*
E-Mail	*yele@microtraction.com*
Year Founded	2017
Country/Focus	Africa
Average Investment Size in USD	*$65k (GHS325k)*
Sector of Interest	Technology
Average time to close a Deal	30 - 45 days
Type of Capital	Equity
Average IRR Sought	30%
Average Time to exit	4 - 10 years
Type of Exit Sought	Acquisition, IPO, secondary sale
Management Control	Seat nomination rights
Investor Vision	*To be the first and preferred investor for the very best African start-up*
Funding Goals	We get startups to a point where they are impressive enough to raise more funding or join world class accelerators
Entrepreneurship Experience	Between the investment and advisory team, over 10+ start-ups and 3+ angel/venture funded companies
Technical Experience	4+ years of product design and development
Services Additional to Funding	professional and advisory services
About	Microtraction is an early-stage, angel investment firm located in Lagos, Nigeria. Our goal is to be the most accessible and preferred source of pre-seed funding for remarkable African technology entrepreneurs. We invest early and love writing the "first check" for the best tech startups in Africa
Country	Nigeria

Company Name	**Norvastar Ventures**
Website	*novastarventures.com*
E-Mail	*info@novastarventures.com*
Year Founded	2014
Country/Focus	East Africa, West Africa (Nigeria and Ghana)
Average Investment Size in USD	*$100k - $6m (GHS 500k - GHS 30m)*
Sector of Interest	Sector agnostic, with businesses that target the bottom of the pyramid. Sectors include education, healthcare, small agri-businesses, and access to food, water and critical information
Average time to close a Deal	Varies
Type of Capital	Equity
Average IRR Sought	Varies
Type of Exit Sought	Various
Management Control	Board seat
Investor Vision	*Novastar is a venture catalyst firm assisting the next generation of exceptional entrepreneurs who are designing and executing innovative business models to profitably serve East Africa's aspiring mass market. These 'New Stars' are the catalysts for innovation, accountability, efficiency and the accumulation of wealth for the common good.*
Funding Goals	Proving that venture in West Africa can provide commercial returns and catalysing the venture asset class in West Africa
Entrepreneurship Experience	Extensive team experience in starting and running companies. Fund management – successful exits in Europe; management consultancy; impact investing; development work; provide a lot of strategic advisory

Technical Experience	Portfolio companies can draw from the team's network of technical expertise
Services Additional to Funding	Access to global and local networks, help with further fundraising, recruitment and talen
About	NovaStar Ventures invests in early stage businesses led by entrepreneurs with the ambition to transform low-income consumer markets and alleviate severe social issues by deploying innovative business models. Emphasises the potential of growing rapidly, notably by widening access, improving quality and/or lowering costs of basic services or goods
Country	USA

Company Name	**Orios Capital**
Website	*http://www.oriosgroup.com*
E-Mail	*info@oriosgroup.com*
Year Founded	2013
Country/Focus	Ghana
Average Investment Size in USD	*$25k - $2.5m (GHS125k - GHS 12.5m)*
Sector of Interest	WASH, tech, renewable energy, manufacturing,
Average time to close a Deal	3 months
Type of Capital	Equity and coupons
Average IRR Sought	Varies - according to market conditions and market
Average Time to exit	5 years
Type of Exit Sought	Buy back, investor, IPO, buy out
Management Control	Board seat
Investor Vision	*We are young, a crack team of motivated members, and we collaborate with the best experts locally to screen ideas that make life worth living, and ambitions worth following*
Services Additional to Funding	Advisory, finance, technical support, training
About	Orios Group is a holding company with 2 subsidiaries namely GCEEI, and Orios Capital committed to redefining wealth creation in Africa. We are an investment focused committed to identifying, training and supporting scalable, impact based African startups founded by innovative entrepreneurs with a desire for social change and jobs as solutions to reducing Global Poverty
Country	Ghana

partech

Company Name	**Partech Ventures (Partech Africa Fund)**
Website	*https://partechpartners.com*
E-Mail	*contactafrica@partechpartners.com*
Year Founded	1982
Country/Focus	Global
Average Investment Size in USD	*$100k - 2m (GHS500k- GHS10m)*
Sector of Interest	Digital Media, Internet, E-commerce, IT enabled services, Mobile services, and Software
Type of Capital	Equity
Type of Exit Sought	IPO and M&A with leading companies
Entrepreneurship Experience	Most Partners have been entrepreneurs themselves or have held management positions within tech companies
About	Partech is a global venture capital firm with offices in San Francisco, Paris, Berlin and Dakar. Partech invests in Internet and information technology startups at seed, venture and growth stages. With €1B under active management, Partech is consistently ranked among the top 10 VC funds worldwide and number one in Europe by Preqin (the US leading independent research organisation)
Country	France, Senegal

Company Name	Samata Capital
Website	*http://samatacapital.com*
E-Mail	*lthomas@samatacapital.com*
Year Founded	2017
Country/Focus	East and West Africa
Average Investment Size in USD	*$100k - $1m+ (GHS500k- GHS5m+)*
Sector of Interest	Female-biased: general tech, agri tech, fin tech, logistics, marketplace, education, health tech, FMCG
Average time to close a Deal	9 - 12 months; we typically want to know the founding team for a period of time before the next capital raise for the company
Type of Capital	Equity, Convertible Note, SAFES
Average IRR Sought	20%+
Average Time to exit	5-7 years
Type of Exit Sought	Trade Sale, Management Buy Out, Sale to other investor
Management Control	Board or observer seats, minority protections, compliance with targets for gender diversity
Investor Vision	The vision for our firm is to accelerate equal access to capital and opportunity for talented entrepreneurs in emerging markets. We intentionally invest in female-led and gender diverse teams with high-growth concepts that are committed to innovation, inclusion and impact.
Funding Goals	Our fund intends to invest capital and provide additional access to resources to 18-20 early stage companies in East and West Africa over the next 6 years. We work to identify high quality companies in which we can invest in multiple rounds starting at around $500,000
Technical Experience	30 years
About	Samata Capital is dedicated to making private sector investments in small and growing businesses in emerging markets that advance opportunities for women and promote gender diversity.
Country	USA

SANARI CAPITAL

Company Name	**Sanari Capital**
Website	*Sanari Capital*
E-Mail	*connect@sanari.co.za*
Year Founded	2013
Country/Focus	South Africa and the rest of Sub-Saharan Africa
Average Investment Size in USD	*$700k - $2.6m*
Sector of Interest	Industry 4.0, data, health
Average IRR Sought	26% - 31%
Average Time to exit	5 - 10 years
Technical Experience	More than 60 years' collective investment related experience
About	Our aim is to build businesses that are sustainable, scalable and saleable. We manage investments in companies in the lower- and middle-market in South Africa and selectively in other African markets. Our team has the knowledge, commitment and passion to fuel the success of businesses with potential by providing high quality, rigorous and customised private equity solutions to complement entrepreneurial settings.
Country	South Africa

Company Name	**Savanah Fund**
Website	*http://savannah.vc*
E-Mail	*hello@savannah.vc*
Year Founded	2012
Country/Focus	Sub-Saharan Africa
Average Investment Size in USD	*$25k - $500k (GHS50k - GHS2.5m)*
Sector of Interest	Technology
Type of Capital	Equity (seed fund)
Funding Goals	We believe in the potential for Africa to become a global technology innovator by creating sustainable for profit companies that create jobs and make an impact.
Services Additional to Funding	Mentor networks
About	Since 2012, we have made 27 investments in Africa focused startups including Kenya, Uganda, Ghana, Nigeria, Zimbabwe and South Africa. These startups have raised over $50M in seed and venture capital funding & generated over 300 jobs.
Country	Kenya

Company Name	**Singularity Investments**
Website	*https://www.singularityinvest.com*
E-Mail	*InfoAfrica@singularityinvest.com*
Year Founded	2014
Country/Focus	Sub-Saharan Africa/North America
Average Investment Size in USD	*$100k - 1m (GHS500k - GHS5m)*
Sector of Interest	Technology, media, telecommunication
Average time to close a Deal	2 weeks, depending on the lead investors
Type of Capital	Equity
Average Time to exit	3 years
Type of Exit Sought	Trade sales to strategic buyers, secondary buy-outs, IPO (this is rare in this part of the world)
Management Control	Minority interest with significant protection, board representation and advisory
Investor Vision	*Build portfolio companies into more competitive and profitable enterprises*
Funding Goals	Accelerating the growth of early-stage companies in Africa and North America
Entrepreneurship Experience	Principals have grown early stage companies to a portfolio of over $1 billion in assets
Technical Experience	7 years experience in local and international investments across industries
Services Additional to Funding	Access to network, mentoring
Country	Nigeria

Company Name	**Synergy Capital Managers**
Website	*http://www.synergycapitalmanagers.com*
E-Mail	*yetunde.adenaiya@synergycapitalmanagers.com*
Year Founded	2007
Country/Focus	Nigeria, Ghana, Liberia and Sierra Leone.
Sector of Interest	Agro-processing, e-commerce, manufacturing, oil & gas (mid-stream & services), power, pharma & healthcare, information & technology & telecoms (ICT), business solutions, financial non-banking services
Technical Experience	A senior investment team with a combined 65 years of experience in private equity and financial services, supported by a locally embedded investment team
About	Synergy Capital Managers is a leading private equity fund manager with over US$300 million under management and strong local teams targeting high-growth SMEs across West Africa.
Country	Nigeria

Company Name	**The Chrysalis Capital**
Website	*https://thechrysaliscapital.com*
E-Mail	*general@thechrysaliscapital.com*
Year Founded	2019
Country/Focus	Africa, Diaspora
Average Investment Size in USD	*$100k - $1m (GHS 500k - GHS 5m)*
Sector of Interest	Tech solutions for agriculture, renewable energy, security, health, education, fintech
Type of Capital	Equity
Investor Vision	*Chrysalis Capital is an investment management firm focused on early stage tech companies in Africa and the Diaspora looking to scale onto the Continent*
Technical Experience	We have a proven track record for cultivating local talent and helping them bloom globally. We focus on sectors that cater to fundamental human needs and work with founders who dream with their eyes wide open.
Services Additional to Funding	Training and incubation
About	As generalists across sectors and specialists in Africa, we design and invest in profitable business strategies that yield tangible social benefits.
Country	Nigeria

Company Name	**The Tony Elumelu Foundation**
Website	*https://www.tonyelumelufoundation.org*
E-Mail	*info@tonyelumelufoundation.org*
Year Founded	2010
Country/Focus	Africa
Average Investment Size in USD	*$5k (GHS 25k)*
Sector of Interest	Various
Average time to close a Deal	A few months
Type of Capital	Grant
Management Control	Advisory board
Investor Vision	*To create 1 million jobs and 1 billion in revenue by 2024*
Funding Goals	To empower 10,000 viable start-ups across Afric
Entrepreneurship Experience	A mixture: some have over 10 years, others have less than
Technical Experience	Significant technical experience
Services Additional to Funding	Mentoring, start-up enterprise toolkit, online resources, meetups, Elumelu Entrepreneurship Forum, TEF Entrepreneurship Programme Alumni Network
About	The Tony Elumelu Foundation (TEF) is the leading philanthropy in Africa focused on empowering African entrepreneurs. The Foundation was founded in 2010 by Tony O. Elumelu, CON, an entrepreneur, investor and philanthropist who is passionate about Africa's economic development.
Country	Nigeria

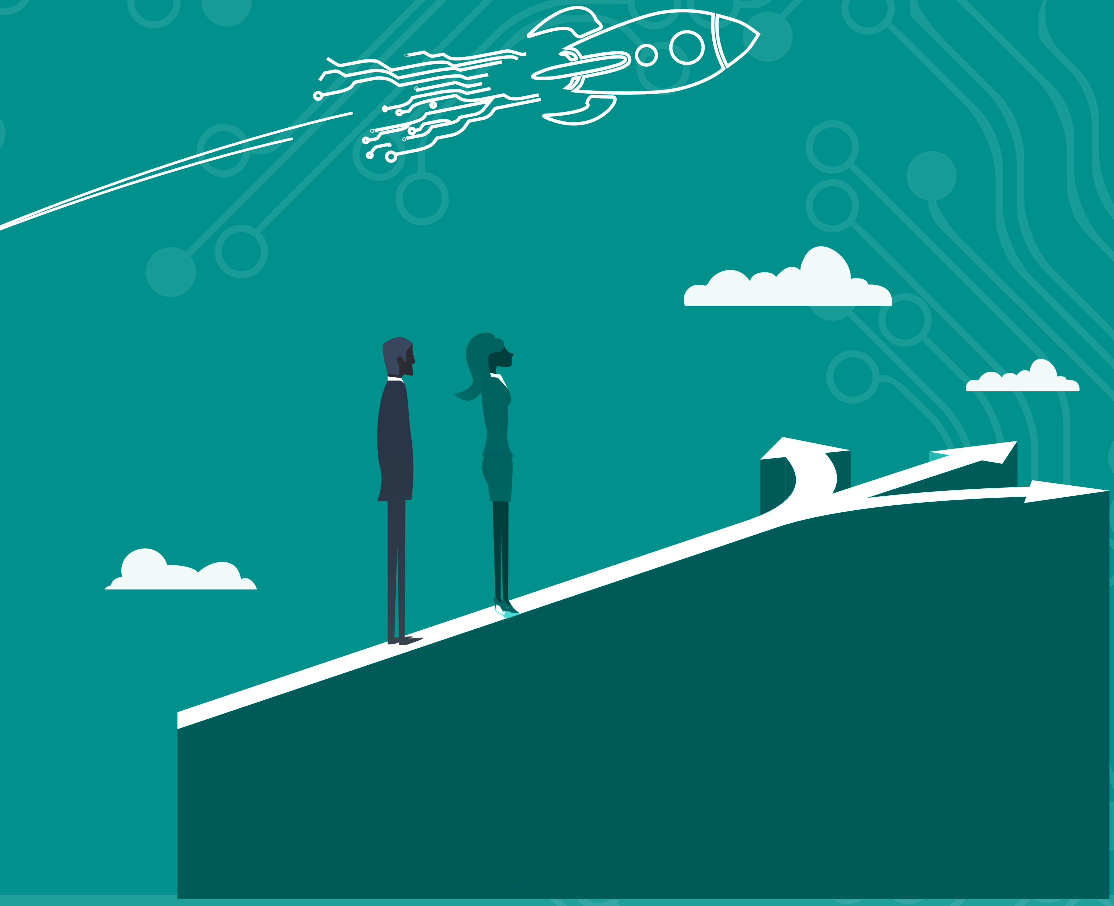
TLcom Capital LLP

Company Name	**TLcom Capital LLP**
Website	*http://www.tlcomcapital.com*
E-Mail	*info-ng@tlcomcapital.com*
Year Founded	1999
Country/Focus	Europe, Israel and Sub Saharan Africa (SSA)
Average Investment Size in USD	*$500k - 10m (GHS 2.5m - GHS50m)*
Sector of Interest	Tech-enabled businesses
Average time to close a Deal	Varies, typically 2 - 4 months
Type of Capital	Equity
Average IRR Sought	Varies
Average Time to exit	5 - 8 years
Type of Exit Sought	Vaires
Management Control	Board seat, minority protection rights
Investor Vision	*Supporting strong, passionate African entrepreneurs, and helping them grow*
Entrepreneurship Experience	Extensive experience
Technical Experience	Decades of experience among the team members
Services Additional to Funding	On the ground support, connections to networks, business mentoring, recruitment, etc
About	TLcom Capital LLP is venture capital firm based in Nairobi, Lagos and London. Their investment strategy is to identify, back and assist high quality entrepreneurs and management teams with disruptive technologies and business models, compelling intellectual property and deep market knowledge targeting large growing markets
Country	UK

Company Name	**V8 Capital Partners**
Website	*http://www.v8cap.com*
E-Mail	*capital@v8africa.com*
Year Founded	2016
Country/Focus	Pan Africa
Average Investment Size in USD	*$500k - 5m (GHS2.5m - GHS25m)*
Sector of Interest	Technology
Average time to close a Deal	2 - 3 months
Type of Capital	Equity, mezzanine
Average IRR Sought	50%
Average Time to exit	3 - 5 years
Type of Exit Sought	Trade sale or IPO
Management Control	Board seat, venture builder
Investor Vision	*Build the best African technologies that accelerates growth and wealth on the continent*
Funding Goals	Deal by deal
Entrepreneurship Experience	10+ years
Technical Experience	15+ years
Services Additional to Funding	Coworking/master classes
Country	Mauritius

Company Name	**Venture Platform Fund**
Website	*venturesplatform.com*
E-Mail	*hello@venturesplatform.com partners@venturesplatform.com*
Year Founded	2016
Country/Focus	Africa
Average Investment Size in USD	*40k (GHS 200k)*
Sector of Interest	Healthcare, financial services, agriculture, education, big Internet infrastructure
Type of Capital	Equity 10%
Funding Goals	We back hungry and visionary founders with a deep-rooted desire to win. Our companies aim to improve lives, change industries and advance humanity
Services Additional to Funding	Business strategy and short term residency
About	We are a leading source of capital, capacity building, support and advocacy for under-served entrepreneurs, communities and institutions, enabling them enhance the creation of wealth and development in Africa.
Country	Nigeria

Company Name	**Wangara Green Ventures**
Website	*http://wangaragreenventures.com*
E-Mail	*info@wangaragreenventures.com*
Year Founded	2019
Country/Focus	Ghana
Average Investment Size in USD	*\$50k - \$500k (GHS250k - GHS2.5m)*
Sector of Interest	Renewable energy, energy efficiency, waste management, water management, climate smart agriculture or generally climate friendly businesses
Type of Capital	Equity and quasi-equity
Management Control	Board seat
Technical Experience	More than 50 years of professional experience including Angel investment, business acceleration, investment due diligence, IT & strategy consulting, finance transformation, private equity & valuation, debt financing.
Services Additional to Funding	Pre-investment and post-investment technical assistance
About	Wangara Green Ventures seeks to promote Ghana's economic development, job creation and industrial competitiveness through support for clean technology businesses and industries which represent some of the most promising and important sectors of the 21st century. Through the provision of financing and non-financial services, Wangara Green Ventures will support local entrepreneurs that develop innovative technologies and business models in these priority sectors
Country	Ghana



Chapter
Conclusion

VI.

Chapter VI: Conclusion

Final Word

Raising money for your start-up is not easy. In order to succeed you will need to demonstrate tenacity, there will be more no's than yes's and without a laser-like focus and sheer determination you may be tempted to give up along the way. The process will shape the way that you think about your business and you will sharpen your communication and presentation skills whilst deepening your network. Overall the fundraising process will present you with a great learning opportunity.

This guide will provide you with a general overview of the process with some detailed insights into the Ghanaian market. Typically, the processes remain the same from country to country, as does the documentation required and legal agreements such as term sheets and shareholders' agreements. However, there are variances in the types of investors available, ticket sizes, the appetite for early stage tech and market opportunities.

The Ghanaian ecosystem is growing at a steady pace and now has multiple players from early stage investors to multinational corporations, this guide provides insights from multiple stakeholders with the hope of providing you with the knowledge you will require to navigate the ecosystem and kickstart your fundraising journey. Naturally everyone's experience will differ. In an attempt to deliver a rounded view of the landscape the guide shares insights from entrepreneurs and investors who have raised money and funded companies at different stages.

Furthermore, by providing a directory of potential funders and detailed information about them, we hope that you as the entrepreneur will have a better understanding of the different types of funders in this market, their average investment size, and the sectors they are active in. While this is not an exhaustive list, it does highlight some of the key players in the market, and shows the sort of information you need to know before you approach investors for funding.

Key Takeaways

1. Remember a business is more than just a great tech product or service. Having the idea is one thing but how you execute it is another. Make sure to think beyond just your technology and look at your business model.

2. Do research on investors before you approach them: you should find someone or a firm who is truly a good fit.

3. When approaching investors, introductions are best. You can also try to meet investors at a pitch event, a conference, or through one of their portfolio companies.

4. Enter accelerator/incubator programmes: while they may not be a great tool for every entrepreneur, they will help you get exposure and learn how to think about your business.

5. Know your market and your customer base: you should be able to explain not only the intricacies of your market, but also challenges you foresee, the offline aspects of your business, and back up your assertions with facts.

6. Understand the different sale cycles for each client segment. For some sales it is an immediate transaction while for others especially large companies or the public sector the sales cycle can be quite extensive. Make sure you are aware of the expected sale cycles.

7. Never underestimate the power of carrying out a full competitor analysis, we always recommend Porter's Five Forces, it's a classic tool but still very relevant and effective. It will help you in your journey of refining your business model and developing your USP.

8. Know how much money your business needs in order to meet its growth objectives: do not ask for a million dollars just because it is a round number; do your research, and explain how this round of funding will get you to your next key milestone, and where you will go from there.

→

9. Do not raise too much money too quickly: if you cannot keep raising your company's valuation in future rounds, you will likely sputter and burn out.

10. Make sure you are happy with the terms and conditions that are placed on you whether by an investor, corporate partner or client. Ensure that it is in your best interest and you can meet the expectations. Be ready to say no.

11. Watch out for events held by ecosystem players or corporates this can be a great way to build relationships or expand your client base. Make sure to check different event pages such as www.eventbrite.com or a local version *www.egotickets.com* to see events that are happening near you.

12. Engage with the press. If you have built something noteworthy, engage media to cover your latest achievement. This would help you build a track record with users and future partners (*see page 90* for list of press to engage with).

Useful Start-up Resources to Learn More

REPORTS

- *ANDE's Ghana Entrepreneurial Ecosystem Snapshot*
- *GSMA The Mobile Economy West Africa 2019*
- *BriterBridges Innovation Maps*

VC SOURCES

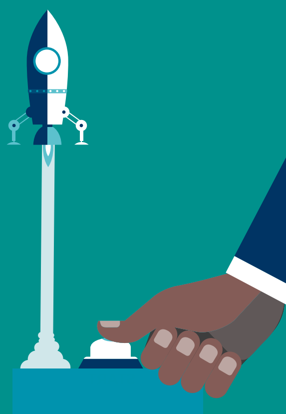
- *EBAN's List of Document Templates, Including Term Sheet*
- *YCombinator's List of Resources, Including Document Templates*
- *EchoVC's Application Process – Overview of What Investors Want to See*
- *Sequoia Capital Business Plan Template*

ONLINE EDUCATIONAL SOURCES

- *Khan Academy Videos on Start-up Valuation*
- *EDX*
- *Udemy*

BOOKS

- *Pitch Anything by Oren Klaff*
- *Mastering the VC Game by Jeffrey Bussgan*
- *The Art of the Pitch by Peter Coughter*
- *The Art of the Start 2.0 by Guy Kawasaki*
- *Venture Deals by Brad Feld & Jason Mendelson*
- *The Lean Start-up by Eric Ries*
- *Zero to One by Peter Thiel with Blake Masters*
- *The Start-up Owner's Manual by Steve Blank, Bob Village*
- *The 7 Habits of Highly Effective People by Stephen Covey*
- *Tools of Titans by Tim Ferris*
- *The Hard Thing about hard things by Ben Horowiz*
- *Who by Joff Smart by Randy Street*
- *The Ideal Executive by Ichak Kalderon Adizes*
- *Rework by Jason Fried by David Heinemeier Hansson*
- *Leading at the Speed of Growth by Katherine Catlin and Jana Mathews*



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