

# Bridging the Gap

**Insights into the Support Ecosystem for Rural  
Impacting Enterprises in Sub-Saharan Africa**

*Scope and Methodology*



This sub-report outlines the scope and methodology of our research, detailing the approach developed in collaboration with Village Capital and Small Foundation.

The information provided is predominantly based upon:

- Preliminary high-level analysis of data collected and compiled from 359 ESOs identified as working with RIEs in sub-Saharan Africa.
- Application data from 188 ESOs looking to participate in the Rural Enterprise Ecosystem – Africa program – including categories.
- From the 188 applications, 19 ESOs were selected to join the program using an Small Foundation ESO Diagnostic Tool co-developed by Small Foundation and Village Capital. The selected ESOs provided in-depth insights at the ESO level and a dataset of over 180 RIEs they worked with during a period of nine months. **We encourage readers to delve into the full methodology and utilize the diagnostic tools provided at the end of the report.**



## Scope and Methodology

The research began with a preliminary high-level analysis of data collected and compiled from 359 ESOs that were identified to work within the RIEs Ecosystem. This initial dataset enabled us to form a clear picture of the RIEs support ecosystem in sub-Saharan Africa and co-design a diagnostic tool integrating the learnings of Small Foundation. This self-awareness tool is designed to guide ESOs to understand the current state of their organisations better, assess their progress and identify key milestones to build a financially sustainable organisation that delivers impact to entrepreneurs and effectively contributes to nurturing the ecosystem. This work was also influenced by Argidius' Foundation SCALE framework, with whom Village Capital partnered in 2020 on an ecosystem-building project aimed at scaling ESOs in Uganda and later in 2022 in Colombia.

		Team and Governance	Problem and Vision	Value Proposition	Services and Programs	Impact and Collaboration	Financial Sustainability	Operations	Scale	Sources of Funding
Market Leader	9	Our team has industry and ecosystem experts and leaders.	Our approach is validated and we are an ecosystem amplifier.	Enterprises achieve great success	Enterprises achieve great success	Ecosystem is deeply engaged in our work and see their success aligned with our success. We are the partner of choice.	We have a minimum of 2x revenue growth over multiple years and are profitable	We are a leader at delivering high quality offerings and set best practices.	We are delivering our services across multiple markets or customer segments	Sustainable
Growth	8	Our leadership has proven ability to support growing team	We're leader in the market in solving this problem	We have solid partnerships with a range of stakeholders for pipeline referral and graduation of enterprises	Our services and program are handling significant growth	We have systems-level data and a track record of 10+ years	We have a path to profitability.	We consistently set new KPIs to improve quality and efficiency of our services	Brand established. Top tier partnerships for distribution, marketing, and growth.	Large systems level change funding (Development Agency etc)
Performing	7	We are attracting top tier talent to our organisation with the skills to deliver on our ambitious vision.	Our vision is proving attainable in a major market	We have a high volume of high-quality inbound requests for services/applications.	We can deliver our solution at scale without reducing effectiveness or efficiency	Inbound interest from large strategics and top tier partnerships within ecosystem.	Our business model is validated.	We consistently deliver high quality offering.	Growth in our customer base is accelerating more quickly	Future revenue streams identified and validated
Demonstrating Path to Sustainability	6	We have sales, management and technical ability to support a growing team. Responsibility for fundraising/sales is shared by dedicated team members & leadership	Our vision is being realized with evidence of strategy implementation.	We have validated that what we do is of significant enough size, with enough players and relevance to ensure long term sustainability.	Businesses we support achieve growth and desired outcomes	We work with key strategic partners to service our ecosystem collaboratively, efficiently and effectively. Mentors/advisors are high quality & return.	We have sustained operations for the last few years.	We have a clear methodology to assess productivity and efficiency.	We are operating beyond our initial market and can sustain our core operations	Multiple Revenue Channels Renewals by existing Partners for larger amounts
Proving Impact and Commercially Viable	5	We have a strategy. Our team is committed to measuring customer feedback and delivering results.	We have evidence we are solving our customers' problems.	Our target entrepreneurs love the program/services. Our targeted businesses are segmented and serviced with different offerings.	We are developing a suite of services and programs to build on our first validated offering.	We have established a system to collect and review data regularly to inform our decisions	Our financial model has been validated. We have diverse revenue channels and funding mix.	Implementation of change is based on data-driven insights.	We know our core competencies and our unit economics are tipping into positive	Pilot Grant Funding Some revenue generated from paying participants or corporates
Validating the Market and Potential of Solution	4	We understand how our target entrepreneur operates, have strong industry contacts, at least one person responsible for sales/fundraising. We retain our team.	We clearly target and fit within the continuum of support	The value of our offering is clear to prospective enterprises	Our offering is validated and fully functional	We continuously adapt to improve our offering	We do not depend on a single source of revenue. We have a track record of earned revenue.	We consistently deliver high quality offering. We understand program/service development costs and how to build high quality cost-effective programs.	We have a clear strategy to scale to multiple markets	
Solidifying the Value Proposition	3	We have the technical ability to develop and deliver high quality services. We clearly understand our ecosystem and the cost structures in our industry	We can clearly articulate our value proposition to entrepreneurs and it is complementary to the ecosystem.	We have validated that our target market exists and that our services support improved business outcomes	We've improved our offering based on feedback	Value proposition clearly leads to positive outcomes for businesses	We have a financial model with cost and revenue projections articulated.	Our organisation design and roles are suited to business objectives.	We have piloted different models for scale	R&D Grants
Setting the Vision	2	Our team has senior members with entrepreneurship experience and a deep understanding of our target entrepreneurs' challenges	We have a vision for how to solve the problem and have reasonable plans to execute it.	We select the right entrepreneurs that fit our services and understand their needs.	We have run a few pilots and can show they solve a specific problem.	We collect data and use data to refine our offering	We have a basic financial model.	We have a plan for how to design the organisation and manage processes.	We have evidence that multiple markets experience this problem	
Establishing the Organization	1	We have a strong founding team	We have identified specific and important problems.	We have a hypothesis for our target entrepreneur - the specific type of business whose problem we are solving.	Our team has the ability to design and execute solution	We have identified key performance indicators (KPIs) that we will measure	We know how we can make money and have the outline of a model.	The organisation is legally registered and has the right to operate	We have identified multiple possible markets or segments	Bootstrapping
		Team and Governance	Problem and Vision	Value Proposition	Services and Programs	Impact and Collaboration	Financial Sustainability	Operations	Scale	Sources of Funding



A summary of the nine assessment levels and what they generally mean in regard to organisational maturity of ESOs:

	Level	Description
1	Establishing the Organisation	Ready-set-go. The right people are starting the organisation and they have a compelling hypothesis.
2	Setting the Vision	It will be hard, but it's possible. The organisation is on the way and setting up for success.
3	Solidifying the Value Proposition	They know what the customer wants and how to deliver it.
4	Validating the Market and Potential of Solution	They understand who their customer is, how they operate and how to reach them. They have evidence their solution is adding value and that a large enough number of people require their solution to create systems-change.
5	Proving Impact and Commercially Viable	They are beginning to show impact related to their work, beyond outputs and through to outcomes. They have a track record of capturing feedback and adapting programming based on insights. They understand the primary commercial levers in their business and consider this in their decision-making and strategy.
6	Demonstrating Path to Sustainability	They have proven they can deliver value, impact is tied to the solution and they can generate revenue. At this stage, they are beginning to map their impact to increased funding. They have diversified their income streams to fund internal operations and de-risk models. They are realistic about their annual fundraising targets.
7	Performing	Programs and services can be delivered efficiently and effectively. Their team is staying on and they are attracting new top talent. They are set up to respond to challenges and to innovate in future program/service offerings. Other organisations and funders are approaching them proactively.
8	Growth	They can deliver impact at scale and evidence of systems-level change within their market. Their operations and model can carry new growth opportunities.
9	A Market Leader	They are recognised as leaders within their market and they collaborate well with other ecosystem partners. Ecosystem stakeholders see their success aligned with the organisations success. They are navigating new innovative growth opportunities.

An open call for applications was hosted on [small-foundation.abaca.app](https://small-foundation.abaca.app), where ESOs were invited to assess themselves using the diagnostic tool and answer a series of questions. The application process focused on understanding the structure, operations and unique role of ESOs in supporting RIEs in sub-Saharan Africa. During this phase, we attracted 188 applications of diverse organisations playing different roles in the ecosystem. After analysing the applications we shortlisted 40 ESOs to form the semi-finalists and 19 ESOs were selected as our Research Partners. We assessed both the application questions and the abaca self-assessments to intentionally select a diverse cohort of ESOs that play different roles across the ecosystem using the following criteria:

Representative Sample Criteria	Description
1. Target Client	Who is the primary target client (sector, stage, etc.) and how this relates to product offering, service delivery type, impact potential, and financial sustainability potential. I.e., high-growth startups, livelihood sustaining businesses, etc.
2. Geography	Broad representation of countries across SSA, as much as possible.
3. Funding Model	Revenue sources and funding models (including grant reliance). With a consideration for this both retrospectively and prospectively, to know how ESOs are considering this in their long-term vision. I.e., nonprofit, hybrid and for-profit.
4. Services and Programmes	Types of services and programmes being provided by ESOs with particular focus given to the effectiveness and quality of delivery. I.e., acceleration and incubation, advisory, market linkages, etc.
5. Degree to which RIEs targeted	Substantive targeting of RIEs integrated into the business model such that it will continue to have a rural element to its activities.

Note: Additional consideration was given towards ESOs with a track record of innovation in service delivery models of ESOs and their promising potential for impact.

With our Research Partners we set out to seek in-depth insights at both the ESO-level and build a comprehensive dataset of RIEs they worked with during this period to help understand the effectiveness of their services. During the nine-month research period the selected ESO partners:

- Assessed their own maturity levels using the customised Small Foundation ESO Diagnostic Tool alongside support from Village Capital in what are known as level-set sessions. These are designed to challenge the organisations self-assessments, including their assumptions and evidence to establish an accurate baseline and simulate the type of due diligence a funding partner would conduct on an ESO.
- Completed an ESO survey to understand their current financial position, operating costs and rural enterprise programs, including what services and programs they offer, over what period and expected outcomes.



- Collected RIE-level baseline and end-line data across the following metrics: Nature of the business; Job creation; Capital Raised; Revenue Generation; Operational Expenses; EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization).
- A stipend was provided to ESOs to facilitate the data collection from RIEs during the research period. Village Capital was available for support over the nine-month period and facilitated periodic group check-ins to assess the progress of the data collection.
- Village Capital provided specialized training to ESOs on benchmarking the enterprises they support using our [VIRAL framework](#) available on the abaca.app platform.

### Venture Investment Readiness Awareness Levels

	Level	Description
1	Founding Team	The company has a founding team in place, with at least two differentiated skill sets and has an initial vision of the problem it is solving and how it will solve it.
2	Setting the Vision	The Company has identified a large, solvable problem and a vision for solving it.
3	Value Proposition	The company has compelling evidence that customers will pay for its solution and that it solves the problem better than competitors.
4	Validating an Investable Market	The company has evidence that it is solving a problem for a large enough market to build an investable business.
5	Profitable Business Model	A company has strong evidence it can make money - and enough of it - to be a profitable business by solving this problem with its solution.
6	Moving Beyond Early Adopters	The company has validated through sales (beyond just early adopters) that its product is exceptional and delights customers.
7	Product-Market Fit	The company has validated that it can achieve unit economics that meets or exceeds the industry in its target market.
8	Scaling Up	The company has validated that it is selling to multiple markets and growing its customer base month-on-month.
9	Exit in Sight	The company is growing fast with exit in sight and is well-positioned to provide investors with healthy ROI.

# Small Foundation ESO Diagnostic



[Click here to start using the ESO Small Foundation diagnostic tool.](#)

Beginning with the first category Team & Governance, move the slider up to the first milestone “we have a strong founding team” - on the left you’ll see the validation criteria for this milestone “I’m at Team and Governance Level 1 if: we have a strong founding team with diversified skillsets. The team CVs and LinkedIn profiles show the founding team’s relevant skills and experience, including industry and functional expertise, such as agriculture, entrepreneurship, finance or ICT” If you’ve achieved this milestone and can support it with validation criteria. Move the slider to the next milestone for this category “Our team has senior members with entrepreneurship experience and a deep understanding of our target entrepreneurs’ challenges”, the validation criteria for this milestone is again on the left hand side “I’m at Team & Governance Level 2 if: We have at least one member of our team or advisory board who has been a successful entrepreneur before. We have people on our team who have the lived experience of our target entrepreneur. We have at least one member of our senior team with a number of years of experience in the target sectors, working with entrepreneurs to solve their challenges” - if you’ve achieved this milestone - and can support with the validation criteria move the slider up again, and repeat the process until you reach a milestone you haven’t yet achieved.

When you reach 1 milestone you haven’t yet achieved, move the slider back down to the milestone you have achieved and then click. “Next Category”. Repeat this process until you’ve completed all the categories.

**It’s very important to be honest. The validation criteria helps you assess whether you have truly reached a milestone. Higher isn’t necessarily better, it’s just further along and the organisations that are the most successful are those that are the most honest about their progress. Honest evaluation enables ESO leaders to identify priority areas within their organisation that need developed.**

abaca

FOUNDATION

SMALLFOUNDATION

1 Self Assessment

2 Questions

Team & Governance

Problem & Vision

Value Proposition

Services & Programs

Impact & Collaboration

Commercial viability

Operations

Scale

Your Level

9

8

7

6

5

4

3

2

1

Our team has senior members with entrepreneurship experience and...

✓ We have a strong founding team

First, we’d like to know more about how your team works.

I’m at *Team & Governance* Level 1 if:  
We have a strong founding team with diversified skillsets.  
The team CVs and LinkedIn profiles show the founding team’s relevant skills or experience, including industry and functional expertise, such as agriculture, entrepreneurship, finance or ICT

more



# VIRAL for Startups



[Click here to use Venture Investment Readiness Awareness Levels \(VIRAL\) for startups. Click join as entrepreneur.](#)

Beginning with the first category Team, move the slider up to the first milestone “we have 2+ co-founders with differentiated skill sets” - on the left you’ll see the validation criteria for this milestone “I’m at Team Level 1 if: Complete: An online lending company with an experienced credit analyst and a senior software developer. Incomplete: An online lending company with two credit analysts, one is more outgoing and will be good at sales, the other is better at strategic thinking.” If you’ve achieved this milestone and can support it with validation criteria. Move the slider to the next milestone for this category “Our team has personally experienced the problem”, the validation criteria for this milestone is again on the left hand side “I’m at Team Level 2 if: For a company developing a new irrigation system this could be: I was a farmer for 5 years and saw the need for a better irrigation system. I sold irrigation systems to farmers for 10 years and heard repeatedly that farmers wanted a better system.” - if you’ve achieved this milestone - and can support with the validation criteria move the slider up again, and repeat the process until you reach a milestone you haven’t yet achieved.

When you reach 1 milestone you haven’t yet achieved, move the slider back down to the milestone you have achieved and then click. “Next Category”. Repeat this process until you’ve completed all the categories.

**It’s very important to be honest. The validation criteria helps you assess whether you have truly reached a milestone. Higher isn’t necessarily better, it’s just further along and the ventures that are the most successful are those that are the most honest about their progress. Honest evaluation enables founders to identify priority areas within their company that need developed.**

**abaca** Home Support NEW Lists Milestone Planner T Test

This flow is available in Spanish and English. Please note that the rest of platform is in English only. [Switch to Spanish](#)

Team Problem & Vision Value Proposition Product Market Business Model Scale Investor Exit Your Level

9  
8  
7  
6  
5  
4  
3  
2  
1

Our team has personally experienced the problem.

✓ We have 2+ co-founders with differentiated skills sets.

First, we'd like to know more about the team you are building

I'm at **Team** Level 1 if:

- Complete: An online lending company with an experienced credit analyst and a senior software developer.
- Incomplete: An online lending company with two credit analysts, one is more outgoing and will be good at sales, the other is better at strategic thinking.



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