

Nurturing SMEs:

strengthening Tanzania's innovation ecosystem



© Lishe Accelerator

Small- and medium-sized enterprises (SMEs) in Tanzania often struggle to scale their operations, access markets, and attract funding and investors due to limited business knowledge and lack of mentorship. The [Lishe Accelerator](#) programme is helping these SMEs to overcome such challenges, by offering them training, mentorship, and links to investors.

In Tanzania, as elsewhere in sub-Saharan Africa, SMEs power economies and provide healthy and safe food to many households. It is estimated that, in Africa, up to 90% of food is purchased from SMEs, including small shops, groceries, street food vendors, and hawkers. However, the majority of these businesses struggle to expand their businesses due to the challenges of attracting funding, and having limited business knowledge and support.

Stimulating engagement

Since 2017, Tanzania's Scaling Up Nutrition Business Network (SBN), and Sahara Ventures, an institution working to cultivate a strong innovation and technology entrepreneurship ecosystem in Africa, have collaborated to support nutrition-sensitive SMEs in Tanzania in scaling their impact.

A flagship initiative of the partnership has been the Lishe Accelerator programme, to fast-track SME growth and attract investor interest. Since launching in 2018, the key focus has been developing activities, including training and mentorship, which ultimately link SMEs to investors and technical assistance providers, by leveraging local and global strategic partnerships through SBN.

"The collaboration between SBN Tanzania and Sahara Ventures is a strategic partnership which ensures a win-win situation for both sides. For SBN Tanzania, it is about being able to

"This partnership has nurtured nutrition-sensitive SMEs and food-tech ecosystems in Tanzania by working consistently and sustainably with different players – including civil society organisations, researchers, technologists, academia, government, development partners, corporate players, and investors."

Haika Maleko,
SBN Tanzania coordinator

create the intended impact on nutrition; while Sahara Ventures seeks to attain investor-ready businesses for its Africa-wide venture-backed accelerator programme that supports start-ups," says Abbas Sykes, Lishe Accelerator Project Manager.

The accelerator programme starts with a call for applications that is announced across traditional and social media and in partnership with local governments and community-based organisations (CBOs). Successful entrepreneurs are then chosen to participate in a training 'boot camp'.

The boot camp training aims to ensure the SMEs understand their business models, adopt innovative growth approaches and strategies, complete due-diligence processes, and participate in investor pitching sessions. It is run by experts, who are drawn from various disciplines including legal, marketing, investment, sales, leadership, nutrition, and branding.

The training ends with a 'pitch day', also known as a demo day. The event is the highlight of the

accelerator programme, during which the finalists pitch their businesses to investors, including financial institutions, incubation centre managers, and a panel of judges drawn from finance, business development, and nutrition sectors.

The winners undergo further mentorship from Sahara Ventures, as they prepare to compete in regional SUN Pitch competitions. “Beyond basic business training, we want to equip the SMEs to create lasting impacts and inspire other entrepreneurs through their innovations, because that will be key in tackling malnutrition,” adds Abbas.

Recipe for success

The five winners of the third cohort (which ran from December 2020 to April 2021) of the Lishe Accelerator programme included BioNutra, which creates a range of natural supplements from local ingredients for local and export markets. Winning SME, Alohado, partners with smallholder farmers to manufacture organic spices – including curry powder, coriander, and cardamom.

The other three Lishe Accelerator winners included: Luke Tanzania Ltd., whose flagship product is an organic beetroot paste; Sai Dairy, a Zanzibar dairy start-up that produces milk and yoghurts; and Adeck Juice, which processes fresh and healthy smoothies and desserts.

To improve the training and participant experience for each Lishe Accelerator cohort, Sahara Venture and SBN Tanzania, and the Global Alliance for Improved Nutrition (GAIN) co-organised an Accelerator Reflection Session with SMEs and judges at the end of every competition. Feedback has included the need to extend the programme duration, and include more peer-to-peer learning opportunities with business across various supply chains. As a result, the number of training days was increased in the



third accelerator from 10 to 14, and the number of those qualifying for training doubled from 10 to 20.

Out of 20 businesses that participated in the second cohort, in December 2019, nine have entered into partnerships with other organisations to scale their operations, and six have accessed follow-on funding. The SMEs have also indicated that the programme has impacted how they conduct their business, including engaging with their customers, preparing themselves to meet investors, and developing their business models.

One previous winner, Jolenta Joseph has built a successful business, Sanavita. The SME is providing more than 2,000 farmers with a ready market for their nutritious biofortified crops, including orange-fleshed sweet potato, which is then processed into a variety of products including flour and biscuits. Jolenta went on to win the [GAIN Food Technology Innovation Prize](#) at the 2020 Global Sun Pitch Competition.

Other successful Lishe SMEs include Healthy Maisha, which produces cold-pressed juices

from local fruits and vegetables for hospitals, schools, and government offices; and Mamaland Mushroom Farms, which produces exotic mushrooms and mushroom spawn.

Monitoring gaps, drawing lessons

In the wake of COVID-19, Sahara Ventures and SBN Tanzania are also looking to revise the training modules to enable SMEs to adopt new approaches to build their resilience post-pandemic. Abbas says that more training and mentorship is needed to support SMEs at the growth stage, since most struggle to spot opportunities to scale. He believes the project should therefore look into launching an incubation programme to support start-ups, as most are not developed enough to qualify for the investment-readiness programme. He also notes that, to make the competition inclusive and have a national outlook, training and demo days should be held in other parts of Tanzania on a rotational basis. This way, they would attract more rural-based entrepreneurs that need exposure. The project is already seeking to work with partners such as

The Sokoine University Graduate Entrepreneurs Cooperative, agriculture incubators, and Small Industries Development Organization regional offices in selected zones, to offer field support to small businesses across the country.

Priorities for the future

As the accelerator programme gains momentum and attracts more investors, partners, and applicants, GAIN and Sahara Ventures are looking to increase Accelerator Reflection Sessions to get more inputs from as many participants as possible, following the success of the previous sessions.

To further grow the list of partners for the project – from government, the private sector (including banks and microfinance institutions), development partners, and SMEs – SBN Tanzania and Sahara Ventures are looking to introduce more events, including networking and mentorship clinics. The partners are also actively working to deepen collaboration with the government at the national and local level.



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