

**THE INFLUENCE OF COUNSELLING, TRAINING AND CONSULTANCY ON
VENTURE START-UPS BY WOMEN AND YOUTH IN BARINGO COUNTY,
KENYA**

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ABSTRACT: *Enterprise development interventions are critical to the development of an entrepreneurship society. The support interventions are critical to new venture start-ups among the vulnerable members of society. This paper examines the influence of counselling, training and consultancy enterprise development interventions facilitate new venture start-ups among women and youth. The paper is based on a study of new venture start-ups among women and youth in Baringo County. The study adopted a survey design. The target population of the study was 1049 respondents from which a sample of 281 was randomly selected. Questionnaire and data sheet were used as the data collection instruments. The collected data was analyzed using both descriptive and inferential statistics. The findings of the study showed that most of the entrepreneurs in Baringo County are influenced by group members to engage in new business ventures. Other motivators include personal imitative, family members and access to entrepreneurship training. Unfortunately, most of the youth and women entrepreneurs have never received any business management training in basic accounting, book keeping and entrepreneurship skills. This can be attributed to the fact that, as attested to by most of the respondents, most of the training available is not for free or subsidized. Therefore, most of these budding entrepreneurs may not afford to take part in training. Nevertheless, the entrepreneurs admitted that there they needed training to enhance their capacity to successfully run their enterprises. The regression model indicated that there is a significant relationship between consultancy, training and counselling and new venture start-ups ($p=0.022$). The study concluded that support is generally available and relatively easy for farmer-owned commodity processing businesses to obtain. The study recommended that the county government of Baringo should support entrepreneurs by creating a favourable business environment for their operations.*

KEYWORDS: Counselling, Training, Consultancy, Venture Start-ups, Women, Youth, Baringo County

INTRODUCTION

Enterprise development interventions refer to programmes that provide business-focused solutions to help entrepreneurs in the developing world to work their way out of poverty. They help build sustainable businesses by strengthening them and supporting their growth. Intervention programmes give entrepreneurs confidence to invest where others dread to go and where the potential for social impact is highest. Enterprise development interventions provide an intelligent mix of counselling, training and consultancy; financial interventions; infrastructural development and legal and regulatory framework that assist people to rise out from poverty (Stevenson & St-Onge, 2005).

Enterprise start-up and development is not just about providing capital. It is about identifying business opportunities and helping entrepreneurs develop and implement viable business plans. It constitutes a pioneering business-based approach to development. Enterprise development interventions are, therefore, unique, and they yield practical results to growing businesses. Small enterprise development programmes work to strengthen entrepreneurial management skills through capacity building and training resources that foster adoption of good workplace practices in micro-, small and large enterprises (Stevenson & St-Onge, 2005).

Enterprise development interventions have been applied globally and they seem to yield fruit. An example of such an intervention is Oxfam's Enterprise Development Programme (EDP) which provides business-focused solutions to help entrepreneurs in the developing world work their way out of poverty. It combines Oxfam's international presence and experience with support and expertise from a board of successful businesspeople. It creates wealth and drives change in poor communities. Crucially, it helps many thousands of people – especially women – to improve their living standards by enabling them to start up businesses that provide a livelihood. The organization is operated by a team of highly skilled, highly experienced people – development experts, business consultants, local entrepreneurs – who work with groups and individuals to provide interventions to see to the successful accomplishment of business objectives and the success of businesses. They help new venture start-ups to take root and grow (Marcucci, as cited in Tallam *et al.*, 2014).

Entrepreneurship is emerging today as an avenue for gainful employment, a means of helping women and the youth to assert themselves in the world of work and a way of improving both their economic and social status. Micro, Small and Medium Enterprises (MSMEs) are regarded as key drivers of economic and social development globally. They represent a large number of businesses in developing countries, generate much wealth and employment and are widely considered vital to any country's competitiveness. MSMEs are hailed for their pivotal role in promoting grassroots economic growth and equitable sustainable development (Boateng, 2011). They enormously contribute to the Kenyan economy through employment and income generation (Tallam, Odwori, Matelong & Tuwei, 2014).

In this context, women and youth entrepreneurship is particularly important. Across the globe, women-owned businesses account for 25 to 33 percent of all businesses. This percentage is higher in Africa at between 40 and 50 percent and in some countries up to 60 percent (Marcucci, as cited in Tallam *et al.*, 2014). African women and youth entrepreneurs are playing an increasing role in diversifying production and services in their countries' economies. Fostering women and youth entrepreneurship development is crucial to the achievement of Africa's broader development objectives, including economic development and growth (Stevenson & St-Onge, 2005). Additionally, by providing a way of circumventing the proverbial 'glass ceiling', entrepreneurship opens up opportunities for leadership, self-development and empowerment that women do not find in large enterprises (Mandipaka, 2014).

However, many women and youth entrepreneurs operate in more difficult conditions than men entrepreneurs. The constraints that impede all entrepreneurs such as political instability, poor infrastructure, high production costs and unfavourable business regulations and policies tend to impact more on businesswomen and youth than businessmen. In addition, women and youth entrepreneurial development is impeded by specific constraints such as limited access to key resources (including land and credit), the legal and regulatory framework, and the socio-cultural environment. This has seen many businesses collapse at their start-up phase. Furthermore, the combined impact of globalization, changing patterns of trade and evolving

technologies call for more advanced business skills that women and youth entrepreneurs in Africa largely do not possess. Many more women and youth than men lack the requisite level of education and training, including business and technical skills and entrepreneurship training, which affects their ability to sustain their ventures past the start-up stage (Stevenson & St-Onge, 2005).

MSMEs tend to be large in number, accounting for about 90 percent of all enterprises in many African countries and over 80 percent of new jobs in any given country (Reinecke, as cited in Kinyua, 2014). Formal SMEs contribute up to 45 percent of total employment and up to 33 percent of national income (GDP) in emerging economies. These numbers are significantly higher when informal SMEs are included (The World Bank, 2015). A World Bank Group study suggests there are between 365-445 million micro, small and medium enterprises (MSMEs) in emerging markets: 25-30 million are formal SMEs; 55-70 million are formal micro enterprises; and 285-345 million are informal enterprises (The World Bank, 2015). With their large number comes increased competition triggered and characterized by continuous technological breakthroughs and rapidly changing customer requirements, all of which demand strong market orientation for MSMEs to be successful (Shiu & Walker, 2007). Unfortunately, market saturation is one major problem for MSMEs that is related to lack of access to higher value markets and a lack of innovation. Many entrepreneurs, particularly women and the youth, are located in low value markets where there are few barriers to entry. This leads to saturation of markets which gives little room for growth. Without innovation through new product development and access to higher value markets, the potential for success for MSMEs is low and a majority of them stagnate in one area or experience failed takeoffs (Kantor, as cited in Ismail, Jafri, Khurram & Soehod, 2012).

Enterprise development interventions have also been applied by organizations in Africa to ensure that certain vulnerable groups are empowered in the business sector. An example is Cherie Blair Foundation for Women in Sierra Leone which addresses these challenges facing women entrepreneurs by enhancing access to capital and markets, delivering tailored business training and facilitating business registration. The Foundation focuses on strengthening links with financial service providers who can invest in women's businesses, providing women with tailored financial literacy and awareness training, coupled with access to different types of investment choices. It also works in partnership with banks, micro-finance institutions and investment funds and encourages them to realize women's market potential and create tailored products and services for them (Mandipaka, 2014).

Their packaged support equips women entrepreneurs with the tools to transition into small and growing businesses, enabling women from Sierra Leone to increase their customer base and to link to potential investors. This results in higher income, job creation and a stronger voice for women in their communities. By improving women's income and financial autonomy, developing countries can ensure better health, education and security for them, their families and society as a whole. The goal of Foundation for Women is to extend its reach, transforming the lives of over 3,500 women entrepreneurs. Its interventions have rescued many businesses that faced imminent take-off failure (Mandipaka, 2014).

In the Kenyan context, the 2010 constitution opened the country for devolved system of governance and created forty-seven (47) counties. This saw a transfer of functions, resources and power to the sub-national levels of government. Part of the key object of Kenyan devolved systems is to promote socio-economic development and provide easily accessible services and

ensure equitable sharing of national and local resources throughout Kenya (Society for International Development [SID], 2012).

For effective and efficient socio-economic development in the devolved system of government, it is expected that SMEs will play a critical role. This is referenced from the past performance and importance of SMEs in the country's economy. According to African Economic Outlook (2011) report, SMEs create about 85% of Kenyan employment while contributing about 20% of the total GDP to the economy. The current constitution provides a new window of opportunity to address SME-related issues through regulatory and institutional reforms under a new, devolved governance system as well as the Micro and Small Enterprises Act 2012. Most of the small and medium enterprises are owned by women and the youth who struggle to improve their performance and contribute to the general well-being of their businesses (Society for International Development [SID], 2012).

Counselling Training and Consultancy on New Venture Start-Ups

Kiraka (as cited in Momanyi, 2014) observes that at the macro level, emphasis needs to be put on addressing weaknesses in local business environments, supporting infrastructural development, providing market access to African products and supporting human capital development – vocational and tertiary education with emphasis on science and technology. Governments that adapt the right reforms in this area can spark considerable new entrepreneurial activity (Kiraka, as cited in Momanyi, 2014). Kiraka (ibid.) further identifies other interventions to include promoting Foreign Direct Investment (including technology transfer) to Africa through government designed schemes to help reduce the information gap in foreign countries surrounding investment in Africa. Expanding outward promotion activities in Africa would also help in collecting up-to-date business information and ensuring appropriate investment and economic development vehicles are utilized. More generally, African governments must deal decisively with high incidences of insecurity, and corruption in public offices (Kiraka, as cited in Momanyi, 2014).

Therefore, if African governments decide to lend a hand to the entrepreneurs in their countries, they would uplift them and create a more enabling and favourable environment for productive business ventures. The ability of the county government of Baringo to implement these interventions will ensure that their county grows economically uplifting the living standards of the women and youth in the area.

A study conducted by Tambunan (2007) on the factors affecting successful business ventures has shown that meeting the needs of small businesses, especially women enterprises' need for capital, information, technological innovations and knowledge can greatly enhance the growth of new venture start-ups. Interventions at the macro level, while important, are a necessary but insufficient condition for MSME development. Interventions at the meso level will help MSMEs access the necessary resources on a sustainable basis. The interventions at this level include building up effective local service providers: financial intermediaries, consulting companies, e-business outlets, research institutions, academic institutions and others (Tambunan, 2007). The types of support to be provided by these institutions include: capital assistance; training; facilitation, e.g. for promotion activities and business meetings between producers and potential customers; information about potential markets and suppliers; facilities, e.g., for quality control and workshops; guidelines about production process management and standardization. These interventions also advance technological innovations that are useful and can be commercialized by MSMEs (Tambunan, 2007).

The effectiveness of interventions depends on the ability of MSMEs to take and utilize them. In other words, at the micro level, the women- and youth-owned MSMEs must have the capacity to utilize and benefit from the various interventions. Entrepreneurs must be willing to access formal training to help them utilize most of these services. Unfortunately, many of them do not recognize the need for technical assistance because they have the impression that they are already masters of their own production. Moreover, whenever they encounter business problems they do not believe external assistance is necessary. Any interventions at the micro level must, therefore, focus on shifting these mindsets.

The entrepreneurial process is also dependent on availability of resources. Financial capital is crucial to the establishment and expansion of any business. Access to finance is a recurring research topic in entrepreneurship literature, and is considered the leading obstacle facing women entrepreneurs (Ngare, 2013). These studies concur that most of the women entrepreneurs face difficulties when it comes to obtaining adequate capital at affordable rates to start new ventures or to expand their businesses.

Statement of the Problem

Enterprises and especially small and medium enterprise (SMEs) are the backbone of the Kenyan economy. They are a major source of job creation and revenue in the country. Given that county governments are given the full mandate to support local economic ventures in Kenya's current constitution, it is expected that the Baringo County government fully supports new venture start-ups.

However, the economic potential of women and youth entrepreneurs remains largely untapped in developing and emerging markets, including that of Baringo County. Many of the youth and women entrepreneurs lack access to financial services, skills and equal opportunities to be successful business owners. In developing countries, despite their growing potential women still own only a few of the small businesses and even fewer medium enterprises. Women are also three times more likely to operate within the informal economy than their male counterparts. Women and youth struggle to come up with business ventures but lack the necessary infrastructure. This has seen most of these ventures fail to take off. The study was, therefore, conducted to find out the influence of enterprise development interventions on new venture start-ups among the women and the youth in Kenya's Baringo County. Based on the study, this paper examines the influence of counselling, training and consultancy interventions on new venture start-ups.

MATERIALS AND METHODS

The study adopted a survey design. This design was used because it was found appropriate in gaining insight into the role of enterprise development interventions in new venture start-ups by women and youth in Baringo County. This design provided further insight into the research problem by describing the variables of interest.

This study targeted 480 youth and 529 women entrepreneurs operating in the County in various sectors and sub-sectors plus 40 respondents drawn from business associations and the relevant government ministries and County Government departments. Therefore, the total target population was 1049 respondents. Out of these, a sample size of 281 respondents, comprising 142 women and 128 youth entrepreneurs, and 11 government agents, was selected using the

Fisher (2003) computation. Primary data was generated through the use of questionnaires and interview schedules. The data collected was analyzed and presented using descriptive statistics.

RESULTS

Counselling, Training and Consultancy in Venture Start-ups

The study sought to determine the influence of counselling, training and consultancy in venture start-ups. To achieve this, the study examined what influenced entrepreneurs' decisions to venture into business, the training they received or attended (and if it was for free or paid training) if necessary and the phases in which their businesses needed external support the most. The findings were as presented in Table 1 below.

Table 1: Counselling, Training and Consultancy in Venture Start-ups

Decision Influence	Frequency	Percent
Own decision	53	19.6
Family influence	32	11.9
Influence from group members	168	62.2
Entrepreneurship training	17	6.3
Total	270	100
Business Management Training		
Yes	35	13.0
No	235	87.0
Total	270	100
Accounting courses		
Yes	29	10.7
No	241	89.3
Total	270	100
Entrepreneurship Training		
Yes	43	15.9
No	227	84.1
Total	270	100
Book keeping		
Yes	30	11.1
No	240	88.9
Total	270	100
Free Training		
Yes	15	5.6
No	255	94.4
Total	270	100
Need for training		
Yes	74	27.4
No	196	72.6
Total	270	100
Assistance needed		
In the start up phase	9	3.3
Early phase of development	114	42.2

Growth phase	11	4.1
Consolidation phase	16	5.9
Period crisis	116	43.0
Transfer phase of a business	4	1.5
Total	270	100

Source: Authors (2015)

The findings on what or who influenced the entrepreneurs' decisions to venture into business indicate that 62.2% were influenced by group members, 19.6% made their own decisions, 11.9% were influenced by family members and 6.3% were influenced by entrepreneurship training.

The findings on the kind of training received or attended indicated that 87% did not receive business management training while 13% did. Moreover, 89.3% did not receive or attend accounting training while 10.7% did. In addition, 84.1% did not receive or attend entrepreneurship training while 15.9% did and 88.9% did not receive or attend book-keeping training while 11.1% did.

The findings on whether or not the training offered was for free indicated that 94.4% said the training was not for free while 5.6% were of the opinion that training was for free. Furthermore, the findings on whether or not there was need for training in order to venture into the businesses of their choice indicated that 72.6% reported that there was no need for training while 27.4% posited that there was need for training.

On the phase of development that the enterprises needed external support, 43% of the respondents opined that the period of crisis was the phase they need help most, 42.2% of them said they needed external help in the early phase of business development, 5.9% admitted that they needed external help in consolidation phase, 4.1% said that the growth phase was when they needed external support, 3.3% preferred to receive external help at the start-up phase of the business and 1.5% stated that they needed external help during the transfer phase of the business.

Table 2: Support Services needed for the Enterprise

Statement	S D	D	U	A	SA	Total	Mea n	SD	
One-stop-shop or similar facilities providing general information	F	0	0	0	107	163	270	4.6	0.5
	%	0	0	0	39.6	60.4	100	92.1	
Professional information services	F	0	0	4	149	117	270	4.4	0.52
	%	0	0	1.5	55.2	43.3	100	88.4	
Advice or consultancy on specific business areas	F	0	0	1	98	171	270	4.6	0.5
	%	0	0	0.4	36.3	63.3	100	92.6	

Specific training courses	F	0	11	6	185	68	270	4.1	0.65
	%	0	4.1	2.2	68.5	25.2	100	83	
Provisional of facilities such as technology parks	F	0	9	2	193	66	270	4.2	0.6
	%	0	3.3	0.7	71.5	24.4	100	83.4	
Financial services like guarantees, loans and grants	F	0	0	0	4	266	270	5.0	0.12
	%	0	0	0	1.5	98.5	100	99.7	

Source: Authors (2015)

On the support services the respondents' enterprises needed, 99.7% of them indicated they needed financial services like guarantees, loans, grants etc, 92.6% said they needed advice or consultancy on specific business areas, 92.1% needed one-stop-shop or similar facilities providing general business information, 88.4% mentioned that they needed professional information services, 83.4% needed provisional of facilities such as technology parks services and 83% of them needed specific training courses.

The study also sought to establish the external support needed by the youth and women entrepreneurs in the study area. The results were as shown in Table 3 below.

Table 3: External Support needed by the Enterprise

Statement		S	D	U	A	SA	Total	Mea	SD
		D					n	n	
Marketing, sales and export	F	0	0	0	208	62	270	4.2	0.42
	%	0	0	0	77.0	23.0	100	84.6	
Bookkeeping, accounting, tax returns	F	0	0		33	237	270	4.9	0.33
	%	0	0	0	12.2	87.8	100	97.6	
Management	F	0	29	7	207	27	270	3.9	0.73
	%	0	10.7	2.6	76.7	10.0	100	77.2	
Financial matters	F	0	0	0	10	260	270	5.0	0.18
	%	0	0	0	3.7	96.3	100	99.3	
Legal matters	F	0	0	0	220	50	270	4.2	0.39
	%	0	0	0	81.5	18.5	100	83.7	
Research and innovation	F	0	0	0	64	206	270	4.8	0.43
	%	0	0	0	23.7	76.3	100	95.3	

Source: Author (2015)

The respondents were asked to indicate the areas in which their enterprises needed external help. Of the respondents, 99.3% said they needed external support in financial matters, 97.6% needed help in book-keeping, accounting and tax returns, 95.3% wanted support in research

and innovations, 84.6 needed support in marketing, 83.7% said they needed help with legal matters and 77.2% needed help in management.

DISCUSSION

The findings imply that emphasis needs to be put on provision of financial services to the women and youths as they are the marginalised groups. Addressing financial problems by lowering rates of loans and getting women and youths to efficiently access finance will enhance their businesses as well. Moreover, the development of local business environments, infrastructural development, provision of market access to African products and support of human capital development – vocational and tertiary education with emphasis on science and technology – will further boost the performance of new venture start-ups. Every entrepreneur needs capital. For business activities to run effectively capital is a necessity. Governments that formulate good economic policies and reforms will spark considerable new entrepreneurial activities.

In most African societies, women and the youth have significantly less personal tangible and intangible assets. As such, they have less capital for business ventures and must, therefore, seek extra support to bring their business ideas to life.

Counselling, Training and Consultancy in Venture Start-ups

From the findings on counselling, training and consultancy in venture start-ups majority of the respondents admitted that they needed financial services like guarantees, loans and grants. These findings are in agreement with the views of Tambunan (2007) on factors affecting successful business ventures. The study findings indicated that women enterprises need support in form of capital, information, technological innovations and knowledge. Interventions at the macro level, while important, are a necessary but insufficient condition for MSME development. Interventions at the meso level can help MSMEs access needed resources on a sustainable basis. The interventions at this level include building up effective local service providers: financial intermediaries, consulting companies, e-business outlets, research institutions, academic institutions and others. According to Tambunan (2007), the types of support to be provided by these institutions vary. The findings of the study confirm this view in that most of the respondents identified many areas in which they needed business support.

A number of studies conducted attest to the need for support for women and youth entrepreneurs (Ngare, 2013). The study findings reinforced the fact that entrepreneurial process is dependent on resources. Financial capital is crucial to the establishment and expansion of any business. Indeed, access to finance is a recurring research topic in entrepreneurship literature, and is considered the leading obstacle to the success of women entrepreneurship. The above studies have established that most of the women entrepreneurs face difficulties when it comes to obtaining adequate capital and at affordable rates to start new ventures or to expand their existing businesses.

CONCLUSION AND RECOMMENDATIONS

The findings of the study on the enterprise development inventions on new venture start-ups indicate that most of the entrepreneurs in Baringo County are influenced by group members to engage in new business ventures. Other motivators include personal imitative, family members and access to entrepreneurship training. Unfortunately, most of the youth and women entrepreneurs have never received any business management. Majority of them also lack training in basic accounting, entrepreneurship skills and book keeping. This can be attributed to the fact that, as attested to by most of the respondents, most of the training available is not for free or subsidized. Therefore, most of these budding entrepreneurs may not afford to take part in training. Nevertheless, the entrepreneurs admitted that there they needed training to enhance their capacity to successfully run their enterprises.

From the study findings and discussion in this paper, it is recommended that the County government of Baringo should lend a hand to the entrepreneurs, support them by creating a more business friendly environment. This is especially important because youth and women hold the key to the economic development of the County.

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