



 **German Sparkassenstiftung**
SOUTHERN AFRICA

Mentorship Handbook for Micro, Small and Medium Entrepreneurs (MSMEs)

Preliminary Short Version





Foreword

The Bank of Zambia (BoZ) in collaboration with various partners supports efforts by the Government of the Republic of Zambia to create an enabling environment for the growth of micro- small- and medium entrepreneurs (MSMEs). The German Sparkassenstiftung for International Cooperation - DSIK (formerly known as Savings Banks Foundation for International Cooperation — SBFIC) is one of the partners that BoZ has been collaborating with since 2013, in the implementation of its Financial Inclusion Strategy with a focus on Financial Education.- The essence of this collaboration is for the provision of financial education to MSMEs and farmers through the interactive Micro Business Game (MBG), Farmers Business Game (FBG) and Savings Game (SG) trainings in Zambia.

At the beginning of 2021, DSIK expanded the scope of its operations into a regional programme to promote small-scale entrepreneurship in Zambia, Malawi, Namibia and Zimbabwe. Having enjoyed the Zambian hospitality and successful cooperation over the past years, DSIK has anchored its regional office in Lusaka.

One of the main tenets that will drive the small-scale entrepreneurship programme is Mentorship. Mentoring through professional, technical, advisory and other business development support services is important for entrepreneurs (including farmers) and small business owners to develop sustainable businesses that create jobs and wealth. Each entrepreneur or small business owner is different and requires diverse types of mentoring support and skills. A recent survey by Sage found that 93 percent of start-up owners indicated that mentorship was crucial to success and business longevity. A mentorship program also contributes to the resilience of both the business owner (mentee) and the business by steering their focus on responsibility and goals, particularly amid shocks such as the Covid-19 pandemic, impacts of climate change and other environmental disruptions to a business. Further, a mentorship presents an opportunity for mutual benefits in the context of enabling mentors share their expertise and improve their skills.

The BoZ therefore commends DSIK for expanding its services to include the development of a Mentorship Handbook and programme for Micro Small and Medium Enterprises (MSMEs). This handbook follows a holistic, approach which incorporates the Zambian context and seeks strong partnerships from non-profit organisations, academia as well as the public sector bodies. It is expected to meet high academic and accreditation standards to facilitate successful and effective support for the growth of MSMEs and thus contribute to the national agenda on economic development.

A handwritten signature in blue ink, appearing to read "Freda Tamba".

Freda Tamba

DIRECTOR – NON-BANK FINANCIAL INSTITUTIONS SUPERVISION

Executive Summary

Mentorship is important for entrepreneurs (including farmers) and small business owners to develop sustainable businesses that create jobs. Each entrepreneur is different and requires diverse types of support and skills. The mentorship program aims to contribute to the resilience of the entrepreneur amid shocks such as the Covid-19 pandemic. This handbook gives an introduction on the vision, mission, purpose, objectives and expected outcomes of a Mentorship programme for MSMEs in Zambia (Southern Africa), explains the holistic programme approach and the target group of this handbook.

The first chapter explains what a holistic mentorship programme entails, the reason why a holistic approach is needed and the advantages that such an approach will have. Furthermore, this chapter goes on to detail the role that MSMEs play in the economy and the specific intended outcomes that this mentorship programme intends to achieve with MSMEs in Zambia.

The second chapter provides an overview of what mentorship is (and what it is not), explaining as well different types, formats, and duration of mentorship. It also elaborates on the cornerstones of a good mentor-mentee relationship, explains the characteristics of an ideal mentor and the benefits mentoring can bring them, as well as the characteristics of an ideal mentee. It shows in general the four phases of mentoring processes from preparation, establishing relationships, learning, and developing towards the ending phase.

The third chapter focuses on mentoring for MSMEs in Zambia (Southern Africa) and contributes to a better understanding of the entrepreneurial mindset and learning process and the specific challenges entrepreneurs face in Zambia (and Southern Africa).

The fourth chapter guides step-by-step through the whole process to set up a mentorship programme, beginning with the process design, the attraction and recruitment of participants, the matching of mentors and mentees, the mentor training, the ongoing mentoring process, the graduation and follow up, ending up with the measurement of success of the mentorship programme.

Throughout the handbook you can find progressive and hands-on inputs from experts related to mentorship on issues such as leadership, the importance of mental competencies, gender and others. The handbook is only one of the “building blocks” for this mentorship programme and connects with other products such as a mentor toolkit, mentor training material, which all together help to implement a successful mentorship programme.

Disclaimer

This handbook does not claim to be complete, but presents a complete mentorship program, including standards and materials, as well as examples from experienced mentorship organizations. Certain words such as Mentoring and mentorship are being used as synonyms and so reasonable care should be taken to note any such occurrences.

We would like to thank our contributing partners namely; MentorMe, WEAC and AGS

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I. Introduction

1. Holistic Mentorship Programme Approach

The Programme will adopt an integrated approach system through a structured mentorship handbook and platform to guide all participating stakeholders i.e. the implementing organization, mentors and mentees.

The mentee is at the center of the Mentorship intervention. The mentorship approach will take into consideration the whole picture of mentees being and managing a business as opposed to them tackling business challenges separately. The programme will take into account the mentee's mental capacity, location, culture, economic and political environments as well as government policies for relevance, focus, and national alignment. This will allow entrepreneurs to access all relevant information and support them to take charge of their businesses and to build up resilience as well as to find long-term solutions for various existing challenges through an interactive and conducive environment.

MSMEs and the Economy

According to the World Bank Report for Small and medium Enterprises on Finance (2022), most formal jobs are generated by MSMEs and create 7 out of 10, thus implying that they play a major role in economies particularly in developing countries. They form the majority of businesses worldwide representing 90% and more than 50% of employment. Furthermore, MSMEs contribute 40% of gross domestic product (GDP) which is expected to rise when the informal MSMEs are included.

It is for this reason that the Mentorship handbook was developed to nurture the growth of MSMEs for continued sustainability.

The Need for a Holistic Approach

According to the Oxford Languages Dictionary (2022), holistic approaches are characterized by the belief that the parts of something are intimately interconnected and explicable only by reference to the whole. The entrepreneur must be seen as embedded in a network of inputs (raw materials, finances, human capital, etc.), outputs (markets, products, services, etc.), versatile supporters and sometimes challenging framework conditions and, finally, their own culture and the socio-cultural and political environment. A holistic approach to mentorship thus means to provide support that looks at the whole person. The support should also consider physical, emotional, and social wellbeing.

A holistic approach to business development is essential to addressing the many challenges and causes that many MSMEs encounter. This will come with advantages such as;

1. Addressing the leading causes of business challenges.
2. Emphasizing the connection between the mind (Entrepreneur) and the business.
3. Develop the entrepreneur's capacity to analyze business as a whole including all departments rather than narrowly on single challenges.
4. By using a holistic approach, products are designed to have overall synthesis and to maintain brand image.

5. Gather and use information to ensure every aspect of a product or service is appropriately targeted, accessible, and desirable to the customers within it. This will not only help growth, but also customer retention and conversion resulting in growth.
6. Allow business owners to get real insights into their current and future markets.
7. Enabling MSMEs to know more about their cultural background of where they are operating from in order to differentiate, strategize and expand on a global scale.
8. Allowing companies to get real insights into their current and future markets.

Holistic Mentorship Programme Approach

By definition and understanding of the entrepreneur in Zambia, the cultural background and learning abilities are well understood to design relevant and impactful support.

The mentorship Programme will adopt the following holistic approaches.

1. Engage the government bodies to participate through Ministries. This will allow MSMEs to easily gather information on policies affecting various industries.
2. Engage the public and private sectors to use the Mentorship Handbook to further develop, customize and implement a mentorship programme.
3. Engage and train experienced mentors from various industries in order to offer business advice based on actual experience rather than theoretical.
4. Provide a networking platform for peer to peer learning.
5. Provide information on various stakeholders
6. Provide industry information
7. Provide self-assessment and development material (Zangametrics?)
8. Partner and work with government agencies to encourage business registration, Tax returns, pension savings.

2. Specific Intended Outcomes for MSMEs in Zambia

Mentoring is a fundamental form of human development where a person invests time, energy and personal know-how in assisting the growth and ability of another person. It has a number of benefits for all stakeholders including the mentors, mentees and support organizations.

Would-be successful business owners need assistance from others who have an intimate knowledge of how business works in various sectors. While information is readily available from business classes, books and the internet to help many business owners on their journey, it can be better absorbed and applied through the context an experienced mentor with a deeper understanding of how business works in the same sector can give.

The mentorship programme intends to provide a formal structure that will be used to help mentors and organizations to develop business through improved planning, performance and productivity. It will provide a platform for mentees to broaden business networks while promoting peer to peer learning aiding new opportunities, sharing of ideas and innovative solutions for business growth.

Within the established system, mentors will act as a sounding board to listen, offer advice, support and guidance to develop and improve leadership and problem-solving skills that will enable mentees make decisions confidently.

Intended Outcomes

1. To have a well-structured and formal mentorship experience with measurable outcomes.
2. To have a mentorship programme aligned to National policies that address real MSME challenges.
3. Ability to navigate the business world knowledgeably.
4. Ability to acquire first-hand information from mentors and the mentorship network in order to consider perspectives that may not have been considered for the lack of experience with client and or investor responses towards various strategies.
5. Improve long term business skills.
6. Improved networking skills necessary for valuable business connections and partnerships
7. Acquired problem solving skills with proven approaches as well as cultivating positive company culture
8. Encouragement and gained confidence to run business and make decisions
9. Lasting mentor-mentee relationships for consistent guidance and resources
10. Ability to analyze situations and ask the right questions
11. Improved communication skills (e.g. with staff to motivate/retain)
12. To have a trusted support system to whom one can vent in case of frustrating and stressful learning curves.
13. A chance to give back. Creating a mentorship culture that will see a continuous circle of successful businesses owners mentoring young entrepreneurs.