



## The Significance of the Freetown Pitch Night

The significance of the Freetown Pitch Night becomes clear when we consider

- (A) It is a critical element in an ecosystem that supports a new breed of entrepreneurs in Sierra Leone,
- (B) Potential for GDP growth and job creation, and
- (C) Attract Investors.

First let me give an overview of the Pitch Night and its background.

### What is Pitch Night?

Pitch Night is a night, which provides budding entrepreneurs in Sierra Leone the opportunity to pitch their post revenue business. At pitch night entrepreneurs provide a holistic view of their business to a vibrant Sierra Leonean entrepreneur community allowing them to market their business, solicit feedback, advice and potential partnerships.

### Pitch Night Purpose

- Increase desirability and confidence in pursuing entrepreneurship.
- Provide pitch practice to entrepreneur.
- Role-model pitching and entrepreneurship to others.
- Provides stability to entrepreneurship activities.
- Provides linkages to markets, investors, partners, customers, suppliers, business support services, and capacity developers.

### Background

Freetown Pitch Night was initiated and started by SOBA. **SOBA** is a market systems development programme that aims to reduce poverty in Sierra Leone. To do this, SOBA provides targeted technical and financial investment in business practice innovations that grow businesses and improve farmer and small-scale entrepreneur performance and market position concurrently.

**The Global Entrepreneurship Network (GEN)** provides a year-round platform of programs and initiatives aimed at creating one global entrepreneurial ecosystem. GEN helps people in 170 countries unleash their ideas and turn them into promising new ventures—creating jobs, accelerating innovation and strengthening economic stability around the world.

Ranging from efforts to inspire and educate nascent entrepreneurs to advancing research and connecting global leaders in person, GEN operates in all types of economies and cultures.

Innovation SL Limited is the affiliate of GEN Global in Sierra Leone and has full responsibility for all of GEN Sierra Leone programs and activities.

GEN Sierra Leone's mission is to galvanize, organize, support and energize a vibrant ecosystem that will support the growth of entrepreneurship in Sierra Leone. GEN aims to give every potential entrepreneur in Sierra Leone the opportunity to start a business, and to help established entrepreneurs realize their dreams.

Our competitive advantages includes:

- World-Class Resources - An affiliation with GEN Global affords access to programs and partners, and best-in-class resources. GEN Global has a decade of performance building global entrepreneurship communities;
- Advanced Concepts - Access to the Kauffman Foundation and the Global Entrepreneurship
- Research Network's knowledge base, which affords access to advanced concepts, evaluation methods for measuring progress and assessing results, and the latest perspectives on entrepreneurship ecosystem development.

GEN SL has been a SOBA partner for the Freetown Pitch Night since its inception.

From September of 2017, GEN SL will take the lead role in managing and organizing Freetown Pitch Night as the SOBA program will cease.

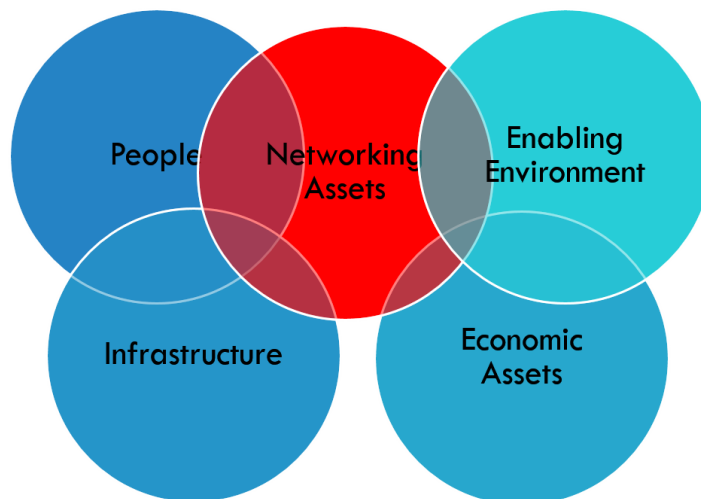
### Freetown Pitch Night- A Critical Element in an Entrepreneurship Ecosystem

The Freetown Pitch is more than a night where entrepreneurs pitch their business ideas. It is a platform for them to connect, build their network and crucially, demonstrate their innovative abilities.

The Freetown Pitch Night is part of efforts to build an ecosystem in Sierra Leone that will support a new breed of entrepreneurs-value creating entrepreneurs.

An entrepreneurship ecosystem "refers to the elements – individuals, events, organizations or institutions – outside the individual entrepreneur that are conducive to, or inhibitive of, the choice of a person to become an entrepreneur, or the probabilities of his or her success following launch. (wiki)

It is fair to say that at worst, we lack an ecosystem that supports entrepreneurs, and at best what we have for an ecosystem is at a birth stage. The diagram depicts an Ecosystem. The Freetown Pitch Night is part of the Networking Asset (Gathering places).



Value creating entrepreneurs (as opposed to rent seeking entrepreneurs) need an ecosystem that would allow them to flourish. We are beginning to now see the slow emergence of a significant number of such entrepreneurs. At the August Pitch Night, we witnessed three innovators in the Circular Economy.

These entrepreneurs were turning waste to wealth, not only creating value for themselves, but for society as a whole.

There are several entrepreneurship value creating styles. In essence, value creating entrepreneurs seek to create value for society, seek a higher purpose than simply making money. These entrepreneurs have a clear blue print for their company's genuine contribution to our society. Further, the entrepreneur's existence is reflected in the products and services they create and how their company operates.

This is the opposite of a rent seeking entrepreneur which is defined as the use of the resources of a company, an organization or an individual to obtain economic gain from others without reciprocating any benefits to society through wealth creation.

Freetown Pitch Night provides opportunities to enhance the development of a new breed of value creating entrepreneurs in Sierra Leone; entrepreneurs that will create world class products and services while addressing local needs.

## Potential GDP growth and Job Creation

The job creation potential of value creating entrepreneurs is well documented. In 2014, 10% of early stage companies in the world were responsible for 80% of job creation and 84% of revenue creation.<sup>1</sup>

Similarly in Africa, SeedStars World's index revealed the correlation between the strength of countries' entrepreneurial ecosystem and national GDP: The three countries with the highest scoring entrepreneurial ecosystems - South Africa, Kenya, and Rwanda – all exhibit higher than average GDP per capita. (SOBA Report).

Across Africa, we see new wealth being created because of the use of technology. We are facing in the 21<sup>st</sup> an era of **digital disruptions**. It has also been recognized that innovation and technology hold the key to solving Africa's developmental challenges. We have examples of innovations that have transformed whole societies and even countries.

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<sup>1</sup> WEF. "Entrepreneurial Ecosystems Around the Globe and Early-Stage Company Growth Dynamics" 2014

There is now a universal acceptance that Entrepreneurship and Innovation holds the key to development in Africa.

Indeed, the past decade indicates that services and telecommunications are key drivers of economic growth.



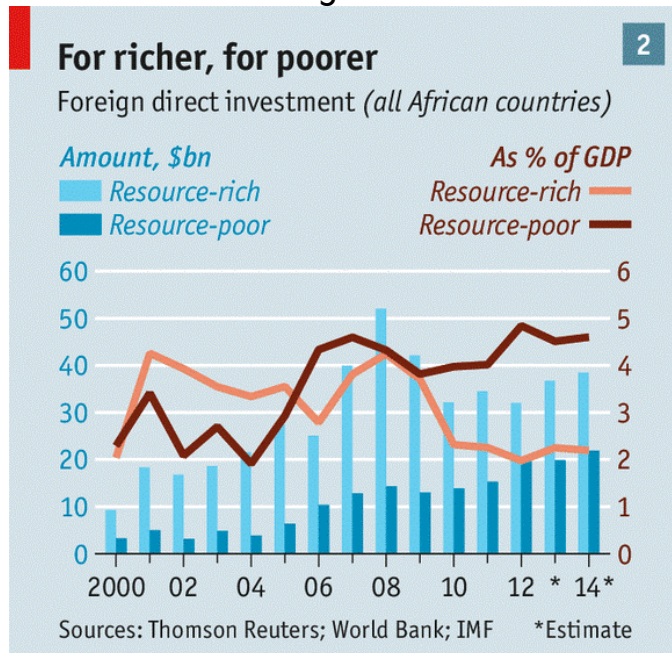
- Over the past decade Africa was among the world's fastest-growing continents—its average annual rate was more than 5%
- Growth is even faster in services, which expanded at an average rate of 2.6% per person across Africa between 1996 and 2011.
- Tourism, in particular, has boomed: the number of foreign visitors doubled and receipts tripled between 2000 and 2012
- Despite falling commodity prices, growth is forecast at 5%. Telecommunications, transportation and finance are all expected to spur economic growth.

### Attractive for Investors

Investment in the traditional sectors of our economy has been problematic. Issues of governance and corruption seem to go hand in hand. The fact is that a new type of international investors are moving more towards tech, services

and value creation instead of towards resources, for example. These investors are also cautious of the environment.

The diagram –“For Richer, for poorer” shows that FDI into resource poor countries is increasing.



We have seen a rise of investors into African Incubators in countries such as Kenya, Nigeria, Ghana and Uganda. Facebook, Microsoft and Google are increasingly using investment funds to target African startups.

According to Gabriella Mulligan of ThisisAfricaonline.com “ New data charting investment activity flowing into Africa’s tech start-ups shows that international investors are taking notice. According to Disrupt Africa, a portal for start-ups and accelerators across the region, tech start-ups on the continent raised more than \$129m in 2016”.

This is a significant amount when one considers the capital needs of these startups are average 500,000 USD, with the potential upside huge.

“Overall, 146 start-ups raised investment, a 16.8 per cent rise in the number of funding rounds compared to 2015”, according to Gabriella Mulligan .

With the Freetown Pitch Night and the efforts of our partners such as Cordaid, we are creating a platform for value creating entrepreneurs in Sierra Leone.

Indeed, the theme for our next pitch night on September 6<sup>th</sup> is Fintech. FinTech is represent technologies that are disrupting traditional financial services, including mobile payments, money transfers, loans, fundraising, and asset management.

Many in Sierra Leone still do not have access to financial services. Further, this is an attractive sector for tech investors.

According to Tom Jackson, Disrupt Africa's co-founder, fintech appeals to investors because it checks two boxes. "Investing in fintech start-ups offers investors serious potential returns, given the size of the untapped markets these companies can reach," he explains. "There is also a strong impact angle in that new forms of financial service provision have the ability to empower and connect unserved Africans."

Other sectors noted in the piece by Gabriella Mulligan of ThisisAfricaonline.com are E-health and Agri tech. Agri-tech space, for example, saw an incredible growth of 8,660 percent in the amount of funding received, as compared to 2015.

The Freetown Pitch is a significant step in "exposing" the innovative and entrepreneurship talent we have in the country. All our Pitchers will be profiled in the GEN Global Website; Innovation Sierra Leone website, Innovation Africa website and Startupsierrealeone.com

By providing the Freetown Pitch Night as a platform for these entrepreneurs to showcase their products and services, we will also expose them to a local and an international audience.

## The Bottom Line

In 2001, I develop a model based on Joseph Schumpeter models of Innovation and Entrepreneurship. My model seeks to connect the actions of Entrepreneurs in the "next economy" (new) and the outcomes in terms of GDP growth and job creation.



## Innovation SLMoel: Value Creating Entrepreneurs in Action



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The fact is we now live in a knowledge-driven economy, which brings new challenges for countries and businesses. Markets are becoming more global with new competitors, product life cycles are shortening, customers are more demanding and the complexity of technology is increasing.

The competitive advantage of countries are found in the pool of knowledge workers and not in their natural resources

In Sierra Leone, we need to take cognizance of this and work to harness and nurture a breed of entrepreneurs who embody this pool of knowledge.

We also need to provide these individuals with the support they need to flourish.

This ties in with an economic diversification policy that encourages the development of non-traditional industries and not least entrepreneurs that leverage modern technologies.

The challenges Sierra Leone faces are the same the African continent and indeed much of the developing world faces. In the African context, to turn



jobless growth in to job creating, poverty reducing growth, governments will need to transform their economies to be more competitive, productive, diverse and supportive of business, especially the small businesses that are the engine room of Africa's growth and job creation.

Indeed, Sierra Leone needs to diversify its economy away from an unhealthy dependency on the mining sector to other sectors. In particular, sectors that are ripe for entrepreneurship such as tech, services and supply chain enhancements and solutions. Between 2011-2013, Sierra Leone was one of the fastest growing economies not only in Africa, but in the world at 8% annual GDP growth. However, much of this growth was jobless!

It is therefore critical to our development path, that we encourage and support this new breed of value creating entrepreneurs.

The Freetown Pitch is therefore a significant step in the right direction.

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