



The Energy Nexus Network (TENN)

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BUSINESS INCUBATION PROGRAM PHASE TWO (2) PROGRESS REPORT

Program Summary

With the world transitioning to renewable energy (RE) and the need to democratize energy as a means of improving lives and livelihoods, the significance of building a resilient ecosystem around Decentralized Renewable Energy (DRE) solutions cannot be overemphasized. It is within this context that, TENN, in its efforts to democratize energy, instituted a Business Incubation Program (BIP) with the primary objective of supporting local entrepreneurs with clean energy solutions, to develop and scale their businesses. TENN's Incubation program engages in but is not limited to:

1. Mentorship and seed funding for local innovative social entrepreneurs working on DRE solutions in Sierra Leone (i.e., Clean Energy Enterprises (CEEs), Clean Technology Entrepreneurs (CTEs), and Energy for Cooking Entrepreneurs (ECEs))
2. Mapping out clean energy and clean technology enterprises in Sierra Leone, to understand their needs and potential opportunities for scaling and replication
3. Mapping out key value chains in Sierra Leone to identify and understand DRE technology needs and opportunities, including market linkages
4. Mentoring social entrepreneurs to deploy DRE solutions in last-mile communities in a cost-effective manner
5. Facilitating the participation of local entrepreneurs from remote regions to take the lead in building enterprises, using sustainable energy technologies

Accomplished timelines

1. Call for application

Phase two (2) commenced on 19th October 2023. Nine (9) radio stations in four (4) districts: **Bo, Kenema, Makeni, and Port Loko**, through phone conversations and adverts/announcements, were engaged for two weeks. Social media platforms, such as WhatsApp and Facebook, were also utilized to attract applications.

These districts were deliberately selected as the program aims to extend reach to other areas in Sierra Leone. Women were encouraged to apply as we strongly believe in gender balance.

Requests were made for the application form via email or in person, and applications were also done in the same order. A total of seven (7) applications were received from the following Enterprise:

1. Vicram-Agro Enterprise

2. Abdulai Power Supply
3. Ellen Solar Point
4. Kodayama Biofuel Investment
5. Satjoy Ventures (SL) Limited
6. Whole Farms Sierra Leone Enterprise Ltd
7. North Pole Ventures

Roadshow/Outreach and mobilization

Realizing the number of applicants was not as expected, efforts were made to increase the number of applicants in targeted areas. Accordingly, a roadshow was planned and executed on the 21st and 22nd of March 2024. The roadshow yielded positive outcomes as the following enterprises were identified:

1. MIK Energy Ltd
2. Mamunya Tele Center
3. Precious Mini-Investment
4. Light Salone Innovation
5. Go Green Solar
6. Women in Renewable Energy

This exercise also involved the mapping of stakeholders for the development of a clean energy ecosystem that creates avenues for partnerships in the clean energy industry. These stakeholders have been very instrumental in the capacity-building efforts of the Business Incubation program.

Selection process

1. Interview

The interviews were conducted through individual phone calls and interview questions were based on the requirements outlined in the application. After receiving the first set of applications, two out of seven applicants qualified as Clean Energy Enterprise (CEE).

2. Interactive sessions

For the second set, six (6) applications were received, and two interactive sessions were held. These sessions were done through virtual meetings (WhatsApp) with applicants and TENN/GH7 in attendance. In each session, enterprises were given the chance to explain their business ideas while their needs and expectations were discussed. After a series of meetings, both internally and with the Global Hubs, three enterprises were selected for onboarding.

Onboarding invitation of selected enterprises

A total of five (5) enterprises were selected for Phase Two (2) Incubation:

1. MIK Energy Ltd
2. Go Green Solar

3. Ellen Solar Point
4. Vicram-Agric Enterprise
5. Light Salone Innovation

These enterprises have been invited to an onboarding event.

Onboarding event

Background

The Business Incubation Phase Two program is an initiative by The Energy Nexus Network (TENN) designed to support the growth and development of small and medium-sized enterprises (SMEs) in Sierra Leone's renewable energy and agribusiness sectors. This phase focuses on providing technical assistance, financial support, and capacity building to five selected enterprises that are working towards addressing critical energy and agricultural challenges in their communities.

The onboarding event, held on August 15th and 16th, 2024, marked the beginning of an intensive support period for these enterprises. The onboarding aimed to assess the current state of each business, identify their specific needs and challenges, and lay the groundwork for tailored support that would enable them to scale their operations and increase their impact.

Objectives

The primary objectives of the Business Incubation Phase Two onboarding were:

- **To assess the current status of each enterprise:** Understanding their operational capabilities, financial models, team structures, and the scope of their services.
- **To identify the needs, expectations, and challenges** of each enterprise: This would guide the development of tailored incubation support strategies.
- **To facilitate knowledge sharing and collaboration** among the incubatees: Encouraging peer-to-peer learning and potential partnerships within the cohort.
- **To set clear goals and expectations** for the incubation period: Establishing measurable outcomes that would track the progress of each enterprise throughout the program.

Enterprise Profiles

1. MIK Energy

Profile:

MIK Energy is a renewable energy company providing a comprehensive range of services including installation, maintenance, consultancy, site surveys, and post-installation support. The company has a strong team with an almost equal gender balance, comprising experienced professionals in renewable energy technologies and project management.

Services Provided:

- Installation and maintenance of solar systems
- Consultancy and needs assessments
- Technical support and troubleshooting
- Post-installation services, including software updates and upgrades
- Warranty service recommendations
- Sales of solar equipment, including inverters, panels, charge controllers, and Rico PV.

Financial Model:

- **Payment Options:** Offers a flexible payment model, including a pay-as-you-go system for 3-10 months, tailored to client needs. Clients can also opt to pay 100% upfront or 80% initially, with the remaining balance spread over 5 months.

Team Structure:

- **Management Team:** 3 members, with diverse expertise in renewable energy and project management.
- **Engineering Team:** A small, skilled team of engineers responsible for the technical aspects of the business.

Ambition:

MIK Energy aims to lead the transition towards a cleaner and more sustainable energy future in Sierra Leone. The company aspires to expand its reach, empowering communities and businesses with reliable energy solutions while preserving the environment.

Needs & Expectations:

- **Financing and Investment Strategy:**
 - Seeks financial assistance from TENN amounting to \$30,000 to purchase solar equipment (refrigerators, solar panels, inverters, etc.) for expansion of their pay-as-you-go system.
 - Requires training in investment strategy, pitching techniques, proposal writing, and project management.
- **Training in Business Development:**
 - Capacity building to empower other businesses.
 - Development of business models, with a focus on youth and women's empowerment.

Challenges:

- Insufficient financial resources to expand operations to other regions.
- High maintenance costs.
- Gaps in technical expertise and project management knowledge.

2. Vicram-Agro Enterprise

Profile:

Vicram-Agro Enterprise provides home lighting to 35-40 households in Bai-Lagoh and operates phone and battery charging centers in Bai-Lagoh, Nyanwu, and Njala. The enterprise is considering expansion into other communities within the Moyamba District.

Services

Home lighting for 40-50 houses, electronic charging center, and sells cold beverages

Financial Model:

- The current model involves charging customers for lighting and phone charging services, with a focus on expanding the business to neighboring communities.

Team Structure:

- A small team consisting of three operators and a manager, led by the founder, Agnes.

Ambition

Vicram-Agro Enterprise aims to expand its lighting and charging services to additional villages in Moyamba District. The enterprise also has plans to build a solar energy training center to equip local youth with the skills needed to manage and maintain renewable energy systems.

Needs & Expectations:

- **Business Management Skills:** Requires training in business management, financial management, and budgeting.
- **Monitoring Systems:** Needs assistance in developing a remote monitoring system for its facilities.
- **Mentorship:** Regular sessions with experienced mentors to provide personalized guidance.
- **Market Research:** Assistance in conducting market research to better understand customer needs and preferences.

Challenges:

- Limited capacity to meet the growing energy demand.
- Financial difficulties in implementing a remote monitoring system.
- Scaling the business model to additional communities.

3. Light Salone Innovation

Profile:

Founded by Mustapha Lolleh, Light Salone Innovation is engaged in innovative activities such as e-mobility (solar-powered tricycles) and flood alarm systems. The enterprise also provides capacity-building training at the Eastern Technical University in Kenema.

Services

- Development and deployment of solar-powered transportation solutions.
- Solar-powered kiosks that are controlled by operators. Currently runs four Solar-powered kiosks.
- Installation and maintenance of solar energy systems.
- Consultancy and capacity-building training in renewable energy.

Financial model

For the solar kiosk business operator have a stated amount of money on monthly basis, there is no initial payment for the system and locations are choosing base on interest for electricity for charging; others aspect like installation and maintenance clients paid 60% at initial agreement or signing of contract and later 40% at post installation.

Team Structure

- Has three people in management with a small team of engineers supervised by the founder.

Ambition

Light Salone Innovation aims to be a leader in renewable energy innovation in Sierra Leone, with a focus on e-mobility and sustainable energy solutions. The enterprise seeks to expand its offerings and impact, particularly in the area of solar-powered transportation.

Needs & Expectations:

- **Business Management and Administrative Skills:** Requires training in business management, financial management, and administrative skills.
- **Technical Training:** Seeks training for staff on the latest technical skills and renewable energy technologies.
- **Financial Support:** Needs access to finance for expanding operations and backward linkages.
- **Networking:** Desires opportunities to network with potential partners and sources of raw materials.

Challenges:

- Difficulty in accessing finance for expansion.
- Challenges in procuring quality solar components.
- Retaining skilled staff and managing personnel effectively.

4. Go Green Solar Energy Ltd.

Profile:

Go Green Solar Energy Ltd., operating under the parental company AGIG, is committed to addressing energy shortages in Sierra Leone and Africa. The enterprise focuses on implementing renewable energy projects that empower underserved communities and support agribusiness, services, and manufacturing.

Services Provided:

- Residential and commercial solar solutions
- Installation and maintenance of solar systems
- Site assessment and monitoring
- Solar financing consultancy

Financial model

- Clients pay 80% upfront, and 20% after installation

Team Structure

A small team comprising of: Chief project executive, Global project liaison, and senior solar engineer who oversees a small team of engineers that does assessments, installations and maintenance

Ambition

Go Green Solar Energy Ltd. aims to close the energy gap in Sierra Leone by implementing impactful renewable energy projects that foster economic growth and improve the quality of life in underserved communities.

Needs & Expectations:

- **Administrative Assistance Training:** Needs training in HR management, customer relationship management (CRM), sales and marketing, social media, and accounting.
- **Financial Assistance Training:** Requires training in financial reporting, inventory finance, operational finance, and project finance.
- **Technical Assistance Training:** Seeks training in installation techniques, mini-grid installations, inverter configuration, and the adoption of new technologies.

Challenges:

- Securing finance for scaling operations
- Enhancing technical expertise in installations

- Managing customer acquisition and retention
- Improving inventory management of solar components
- Navigating regulatory and market barriers for expansion

5. Ellen Solar Point

Profile:

Ellen Solar Point operates solar-powered mobile charging centers in Kenema District. Founded by Madam Hellen in 2018, the business has expanded to four communities, providing essential charging services to residents.

Services

- Electronic charging center. Also sells cold beverages.

Financial Model:

- Each kiosk operator pays 75% of their monthly income back to the business until the solar panel system is fully paid off after 20 months, at which point the operator owns the system.

Team Structure

- One manager,
- Five operators,
- Two technicians with Basic knowledge of running a small scale business in rural settings.

Ambition

Ellen Solar Point seeks to expand its charging center model to other parts of Kenema District, providing essential energy services to more communities.

Needs & Expectations:

- **Business and Financial Management:** Requires training in business management, financial management, and customer relationship management.
- **Market Research:** Needs assistance in conducting market research and needs assessments to inform expansion strategies.

Challenges:

- Limited financial resources to support expansion.
- Challenges in maintaining and scaling the charging center model

Contents

Pitch Sessions:

During the onboarding event, each enterprise had the opportunity to pitch their business ideas to the TENN team. These sessions provided valuable insights into the innovation, ambition, and operational strategies of each enterprise. The pitches highlighted the unique strengths and opportunities within each business, as well as the challenges they face in scaling their operations.

Parallel Discussions:

Following the pitch sessions, the TENN team held parallel discussions with each enterprise to delve deeper into their specific needs, challenges, and expectations. These discussions were crucial in documenting the areas where each enterprise requires support and will inform the development of customized incubation plans.

Needs, Expectations, and Challenges:

The onboarding event focused on identifying the needs, expectations, and challenges of each enterprise. These were comprehensively documented to ensure that the incubation program addresses the unique requirements of each business. The documented needs include financial assistance, technical training, business management skills, and access to markets and networks.

Conclusions

The onboarding event successfully provided a platform for the five participating enterprises to present their business ideas and engage with the TENN team. Each enterprise demonstrated a strong commitment to growth and innovation, with a clear focus on addressing energy shortages and supporting sustainable development in Sierra Leone.

Common challenges identified across the enterprises include limited financial resources, gaps in technical expertise, and challenges in scaling operations. These challenges will be addressed through tailored support during the incubation phase.

Recommendations

- **Tailored Training Programs:** Develop and implement training programs that address the specific needs of each enterprise, particularly in areas such as business management, financial management, and technical skills.
- **Mentorship and Networking:** Facilitate regular mentorship sessions and networking opportunities to help enterprises build relationships with potential investors, partners, and suppliers.
- **Financial Support:** Explore opportunities for financial assistance and investment to help enterprises overcome financial challenges and scale their operations.
- **Ongoing Monitoring and Support:** Establish a monitoring system to track the progress of each enterprise and provide ongoing support as needed.

- **Peer Learning Opportunities:** Encourage collaboration and knowledge sharing among the enterprises to foster a community of practice within the cohort.

Next Steps

1. **Design the Training Curriculum:** Develop a comprehensive training curriculum based on the documented needs of each enterprise. The curriculum should include modules on business management, financial management, technical skills, and customer relationship management.
2. **Initiate Mentorship Sessions:** Begin scheduling regular mentorship sessions with experienced professionals in relevant fields. These sessions will provide personalized guidance and support to the enterprises.
3. **Explore Financial Assistance:** Identify potential funding sources and opportunities to provide financial support to the participating enterprises. This may include grants, loans, or investment opportunities.
4. **Implement Monitoring Systems:** Work with the enterprises to develop monitoring systems that will enable remote oversight of their operations. This will help track progress and identify areas where additional support is needed.
5. **Follow-Up Meetings:** Schedule follow-up meetings to review the progress of each enterprise and adjust the incubation support as needed. These meetings will provide an opportunity to address any emerging challenges and ensure that the enterprises are on track to achieve their goals.

Learnings

1. Traditional media does not attract the targeted enterprises
2. Outreach/roadshows are more effective and provide deeper insight into the needs of potential enterprises
3. The Educational level of applicants should not be part of the criteria for selection into the incubation program
4. The requirement for admission into the Incubation Program should be flexible to encourage more potential clean energy enterprises to apply

Challenges

1. Difficulty in identifying clean energy enterprises
2. Difficulty in scheduling interactive sessions due to different time schedules of TENN and the Global Hubs

Mitigation strategies

- Conduct community engagements and roadshows instead of using traditional media
 - Develop a strategic work plan indicating a timeline for outreach events

- Launch an “Ideas Lab” where CEEs and Technology developers converge to discuss innovative ideas. This helps both in the identification of CEEs and Technology developers, as well as the mobilization of stakeholders.
- Inform the Global Hubs early for all joint events/programs

Conclusion

Despite the challenges encountered during the identification and pre-selection of enterprises, the team was able to navigate through and attract enterprises with huge growth potential. These learnings will provide invaluable insight for future programs.