

Promoting soft skills helps produce better entrepreneurs

Programmes to promote entrepreneurship and employment devote most attention to technical skills and infrastructure. But soft skills are equally important for running a successful business.

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Mabel Simpson (34) is a typical self-made entrepreneur from Ghana. After resigning from her office job at a marketing communications company eight years ago, she started up her own business with one hundred dollars and a 53-year-old sewing machine, a gift from her grandmother. She has achieved her dream of running her own fashion label: under the brand name Msimps she sells shoes, slippers, purses, handbags, laptop bags and other accessories with an African print, and employs six fulltime workers.

'I love creating things,' Simpson explains during a Whatsapp call from Ghana. Crying babies can be heard in the background. ('No reason not to employ mothers, we need to support them.') Simpson studied visual arts and has a big passion for the arts. Creativity is what drives her business, she says. Not only in designing attractive fashion accessories, but also in finding solutions for the challenges she faces as an entrepreneur. 'As an entrepreneur you need to be innovative and able to work with the few tools and machines you

have at your disposal. For example, as long as I can't afford a leather skiving machine, I have to use a sharp knife.'

Running a business is tough and risky, says Simpson. 'Businesses do have their rainy days. You need to possess some tenacity, so you can keep pushing yourself on in tough times, and don't give up.' And the challenges are numerous, she knows from experience. 'Power is costly, and the supply used not to be stable either.' The last few months things have not been going well, she says. 'Fuel prices and taxes are rising, consumers are not purchasing, everyone is complaining. At moments like these you wonder whether you are in the right business. It's precarious and you might go under, especially if you have high orders. But if you give up, people will lose their job. As a leader you are responsible; they have a family to support. Instead, you need to be strategic, in your sales, your marketing, the products you are selling. And it's about having faith and confidence.'

Simpson learnt everything on the job. 'And there are many entre-



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preneurs to learn from. I don't have a role model, but I tried to learn from some of the business leaders who have failed. I meet them or read about them. There are biographies, books and there's a lot of information on the internet. For example, the first Ghanaian owned bank collapsed last year, and they had been doing so well. It's a lesson. You can be the number one, and at the same time end up at ground zero.'

An entrepreneur needs to network and know how to find the right and trustworthy partners, as well as reaching out to new potential customers. 'There are always people who want to partner with you. But they should not just come on board, they should also help the business grow.'

A positive and creative mindset, persistence, knowing how to network and to learn; these are skills that have helped Simpson grow her business – so-called soft skills that are as important as financial and other technical skills. Francis Arinaitwe (24), A Ugandan consultant on youth employment in Africa emphasizes the importance of promoting soft skills in employment and entrepreneurship programmes. While he spends a lot of his time travelling around the continent providing technical assistance to NGOs and participating in workshops, conferences and studies on youth employment, Arinaitwe also runs his own mushroom business. In his five-square metre mushroom garden he experiments with growing oyster mushrooms, which he sells to different restaurants in Uganda.

Key soft skills are time management, problem solving, communication, teamwork and managing expectations.

'Soft skills' is an umbrella term for a variety of skills that have to do with attitude, mindset and emotional intelligence. 'As an entrepreneur I need to know how to relate to a customer who is pissed off with my product. You need your customers, so you should not react emotionally or get annoyed with them.' Meanwhile, an entrepreneur also needs to have a certain amount of confidence in their business.

Networking and decision-making are other key skills, he adds. 'When and how do you make a certain decision? For example, which product should you concentrate your business on? Interpersonal relationship skills are necessary to be able to network: with potential buyers, with mentors who advise you, and with the different people who need or want to buy your product.'

There are a few institutions that work on promoting soft skills for young people who have just graduated and are about to enter the labour market. One of these is the West African Vocational Education (WAVE) programme, based in Nigeria. 'We focus on promoting soft-skills development for employment,' says Noella Moshi, Programs Lead at WAVE. 'West Africa has an employment crisis,' she says

during a phone call, referring to 'a fundamental mismatch between what employers need and what youth can offer.' WAVE's mission is to reverse this trend and promote employment with increased income.

'We work on five key soft skills,' explains Moshi, 'which we have identified, based on our interviews with employers. These skills are time management, problem solving, communication, teamwork and managing expectations. Lack of (one of) these skills is often a reason for dismissal.' Take problem solving, Moshi says. 'Say your boss sends you to the market to buy corn but suppose that upon arrival you don't find corn. What's your solution? Some use the creativity to go a different market. Others return to their boss to report there was no corn, to be sent out again. In terms of managing expectations, if you happen to be late, let your boss know you are delayed.' Networking is equally important, she answers when asked. 'It's also about selling yourself, as much as it is about selling your business.'

These skills are important in any customer-facing role, for employees as well as entrepreneurs, Moshi explains. 'Soft skills need as

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much attention as technical skills in education curricula. And they need to be integrated into the existing curriculum, not be taught in separate classes.' Most of WAVE trainees are young Nigerians, aged 18-35, often working in the informal sector, for example as mobile airtime sellers. 'They don't earn a steady income and often have no more than a high school diploma. They are searching for a more stable and secure source of income. The training programme helps them to integrate into the formal sector,' says Moshi.

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WAVE also works with employers, most of whom are in retail and hospitality, 'the fastest growing sectors in West Africa'. One aspect of the programme is training in hiring skills. 'If employers hired differently, fewer youngsters would have been excluded. For example, they often ask the candidate which university he or she went to, but in sub-Saharan Africa, less than 10 per cent of secondary school graduates make it to university. They also often ask about work experience, which they might not have yet.' While hiring, employers should look beyond the curriculum vitae and discover hidden competencies and talents of the job applicants, says Moshi. The Nigerian government acknowledges the importance of skills-based learning in addition to academic learning and has integrated thirty technical and vocational (TVET) subjects into high school curricula.

Some of the above-mentioned experiences correspond with the interim results of the INCLUDE research project 'Changing the mindset of Ugandan entrepreneurs', the objective of which is to identify and tackle key constraints to innovative entrepreneurship, in particular among rural female entrepreneurs in eastern Africa. The project is investigating the conditions required for 'dynamic entrepreneurship', as most African enterprises remain at the level of small-scale subsistence activities. Poverty, lack of financial and technical resources, and lack of knowledge about procurement, production, markets and marketing are among the key obstacles to dynamic entrepreneurship.

The interim results suggest that personal initiative, business confidence and opportunity recognition are determining factors of innovative entrepreneurship. A business network is important too. About 25 per cent of the 600 entrepreneurs surveyed tend to be deeply embedded in family rather than business networks. They have strong social obligations to share and help others, which might impede business growth. Strategic contacts can help entrepreneurs

to access new ideas, information and resources, all of which could provide them with inspiration or enable them to attain better bargaining positions.

Still, soft skills should not be instead of, but in addition to, the 'hard' or technical skills that are also indispensable for running a successful business. Financial planning skills are one example, and both Mabel Simpson and Francis Arinaitwe mention this. Access to finance for entrepreneurs is a challenge, says Arinaitwe, who himself is currently looking for investment funds for his mushroom garden. 'It's particularly difficult for young people to get access to financial institutions. If they've only recently graduated they don't have land or property as security against a loan. They have to compete with more prosperous people.' Financial inclusion should be enhanced, he stresses. 'Young people should have equal access to financial services. And apart from that, they need to acquire financial literacy. This support should always be accompanied by soft-skills promotion.'

Financial discipline is an even better solution than accessing external finances, in Simpson's view. She always advises starting entrepreneurs not to take a bank loan, or even to take a loan at all. 'Loans should be last thing on your mind,' she says on a YouTube film, in front of an audience of starting entrepreneurs. 'It's a millstone around your neck, because of the high interest rates. You're better off building up financial discipline.' She herself reinvested most of her profits into her business. 'That's the number one thing that helped me grow it.'

The project included a field experiment concerning social networking on a digital platform. Some of the services provided, such as improved radio broadcasting, an sms-based service providing information on agricultural market prices, business mentoring and training in using mobile phones for financial services seem to be yielding interesting results. New business ideas, access to new markets, more proactive behaviour and increased confidence were some of the effects enjoyed by a 'significant number of beneficiaries'. Mobile money services have made several entrepreneurs less dependent on financial intermediaries for basic monetary transactions.

One of the policy messages of the research project is to promote simple skills, such as literacy, through education and encouraging starting entrepreneurs to organize themselves into small learning groups mentored by 'capable and successful entrepreneurs'. This would help transfer entrepreneurial skills and increase social connectedness, the findings so far suggest. Simpson also says connectedness is an important asset. 'As entrepreneurs you need to help each other. Renting a shop in Ghana is expensive and rent is paid in dollars, often requiring an advance payment of two years' rent. Many cannot afford this. I rent a retail shop in the centre of Accra, but my production is done at home and I sell online, both of which cut costs.' She also collaborates with others, especially to support them. 'Three other entrepreneurs stock their products here and sometimes we organize pop-up shops.'

Francis Arinaitwe speaks of 'social entrepreneurship'. Apart from making profit, he says, 'Entrepreneurship can be about social impact and what you can contribute to the environment.' He practices what he preaches, as he currently experiments with circular use of coffee husks as a substrate for growing mushrooms. 'After the mushrooms have been harvested the waste substrate will be processed into manure and put back into the coffee gardens or processed in animal feeds.' Simpson eventually wants to set up an institute for skills



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training, where young girls can be trained and develop skills, learn a skill for themselves. 'And of course, ultimately I want to employ them, because Ghana faces a skills challenge,' she says.

Turning to the role of the government, all those interviewed agree that besides their own efforts to become successful, more government support would be a help to starting entrepreneurs. Simpson: 'They could create facilities like small hubs with affordable rents for young fledgling entrepreneurs. We also need networking and marketing opportunities to find a market for Ghanaian products. We are trying to tap into the international market, which is not easy. One way would be for the government, through the Ghana Export Promotion Authority, to make it easier for us to access trade shows.'

Simpson's fashion label Msimps faces stiff competition from imported goods, most of all second-hand bags and cheap handbags from Asia, she says. 'Our production costs are high, and people complain we are expensive. The majority of Ghanaians do not have much disposable income to spend. Even the middle class, our target, seem to struggle. We try to keep our costs as low possible.' The Ghanaian government started a campaign to promote locally made products instead of imported ones. Ghanaians prefer imported stuff to locally made things, comments Simpson. 'I don't understand it. We can make these products here, and of the same quality. We don't need Chinese products. But it's hard to get recognition for being an entrepreneur.' The 'made-in-Ghana'-campaign seems to be having some effect, as people are gradually starting to accept and support us.'

Noelle Moshi has found out through her work with WAVE that the role of the government is important, but it's also complicated. 'Teachers have limited time and they are often faced with huge class sizes – generally between 60 to 90 students – which requires special skills. NGOs like WAVE play a supporting role in the implementation of the soft skills programme, she says. We need to help out at principle and teacher level for example with the technical and vocational school subjects. We develop content for soft skills training, and

teach secondary school teachers how to apply it in their classroom. Our ultimate goal is to embed soft skills training into the school curriculum, so that youth are being prepared for the world of work, even as they study more academic subjects. In addition, Nigeria does not enforce its labour laws concerning a minimum wage and employees' rights regarding overtime work.

'For young people to be better reached by skills development programs, dialogues should be held with them'

Arinaitwe concludes that life is not easy for young entrepreneurs, 'in fact entrepreneurs in general receive little protection from the government'. He mentions an important point: 'For young people to be better reached by these kind of skills development programs, dialogues should be held with them,' he says. 'We should give them a platform where they can be heard, where they can access information. Meanwhile, we need to understand and appreciate the diversity of young people. They are not a homogeneous group.' Some are school dropouts, others are graduates, employees or starting entrepreneurs, he adds. Many youngsters live in rural areas, working as farmers or fishers. They are entrepreneurs but might have no regular access to the internet. So, when we use websites to spread information, we need to remember that some of them might not get that information. We need to know how to better harness that diversity. Because all of these young people have a vision, they all have a dream and they all have something positive to offer.' ●