

Overview

African Enterprise Partners is being formed to identify and execute early-stage sustainable business investments for social investment funds, foundations, development partners, and philanthropic investors. We seek to exploit high-impact, commercially-oriented opportunities in Africa by adapting a proven investment vehicle called a search fund.¹ We will be Africa-based and focus on business models in East and Southern Africa that benefit small-scale producers. Over time, we will strategically develop region and sector specific expertise to maximise our impact.

As a start-up venture, we are extremely flexible. In addition to our core proposition, we can offer our services on a consulting basis to both social and commercial investors in Africa.

Proposition

African Enterprise Partners will apply the search fund model in three stages:

- 1. Search:** We propose to carry out a search process on a cost-basis for investment opportunities in line with the mission and objectives of a prospective client. At the end of this period, we will deliver an investment proposal(s) where the client has the right – but not the obligation – to proceed to stage 2.
- 2. Plan:** If the client wishes to follow up on a proposal, we will hold the right of first refusal to develop and deliver a comprehensive business plan to the client in exchange for a retainer fee. The client will maintain the right – but not the obligation – to proceed to stage 3.
- 3. Invest:** Finally, if a business plan is approved for investment, we will hold the right of first refusal to manage its execution on the ground in partnership with the client. To ensure accountability, we will be entitled to a minority equity or quasi-equity stake in the investment.

Service Offering

Throughout these three stages and on a consulting basis for existing investments, African Enterprise Partners will strive to add value by offering the following services:

- **Opportunity sourcing:** We will develop a network on the ground with local chambers of commerce, NGOs, and businesses to identify entrepreneurs with proven track records and business models with potential to grow.
- **Investment readiness:** We will work with prospective entrepreneurs to develop comprehensive business plans. This will include quantifying financial, social, and environmental market opportunities, analysing competitors, and building financial models.

¹ http://www.gsb.stanford.edu/ces/resources/search_funds.html

- **Due diligence:** We will carry out a full due diligence process on prospective investments that have yet to be approved. This will include testing business plan assumptions, modelling different scenarios, and verifying claims of financial, social, or environmental impact.
- **Management team-building:** We will start by assessing local management capabilities and recruiting to fill any gaps. We will then work with management teams to clarify roles and responsibilities, and provide focused support where it is needed.
- **Business development:** We will work intensively with management teams to establish appropriate systems and processes for strategic and structured growth. We will also build synergistic networks to embed investments within local business and development ecosystems.
- **Strategic auditing:** We will conduct full strategic audits of investments that are experiencing problems by integrating within organisations. We will then work with management teams to find creative solutions and develop action plans for implementing them.
- **Impact maximisation:** We will design and facilitate visioning workshops for management teams to develop long-term financial, social, and/or environmental visions with strategies for achieving them. We will also help them design and implement systems to monitor and measure progress.

Founder

Mike Quinn is the founder and sole employee of African Enterprise Partners during this start-up phase. His network in Africa, Canada, and the UK extends across business, development and social enterprise. He plans to grow African Enterprise Partners by hiring and training talented local staff.

Mike is an entrepreneur at heart, but his passion is to harness the power of enterprise to transform lives in Africa. This stems from the two and a half years he spent implementing enterprise development projects in rural Ghana and Zambia with Engineers Without Borders Canada and CARE Zambia. After gaining life-changing experiences ploughing fields behind oxen at 5am and visiting hundreds of smallholder farmers on a motorbike, he moved to the UK to enhance his understanding of economic development and his business toolkit. He completed an MSc in Development Management at London School of Economics (LSE) and an MBA with distinction at Oxford University's Saïd Business School on a full scholarship in social entrepreneurship. He has since successfully completed two short-term but complex consultancies for early-stage social enterprises in The Gambia and UK, helping management make long-term strategic decisions and simultaneously solve immediate problems.

Summary

African Enterprise Partners is a capable and committed partner on the ground with aligned incentives for success. By adapting the proven search fund model to sustainable business investment in Africa, we are able to offer clients a cost-effective service for identifying and exploiting high-impact opportunities. In addition, our services extend to commercial investors in Africa and are available on a consulting basis.