



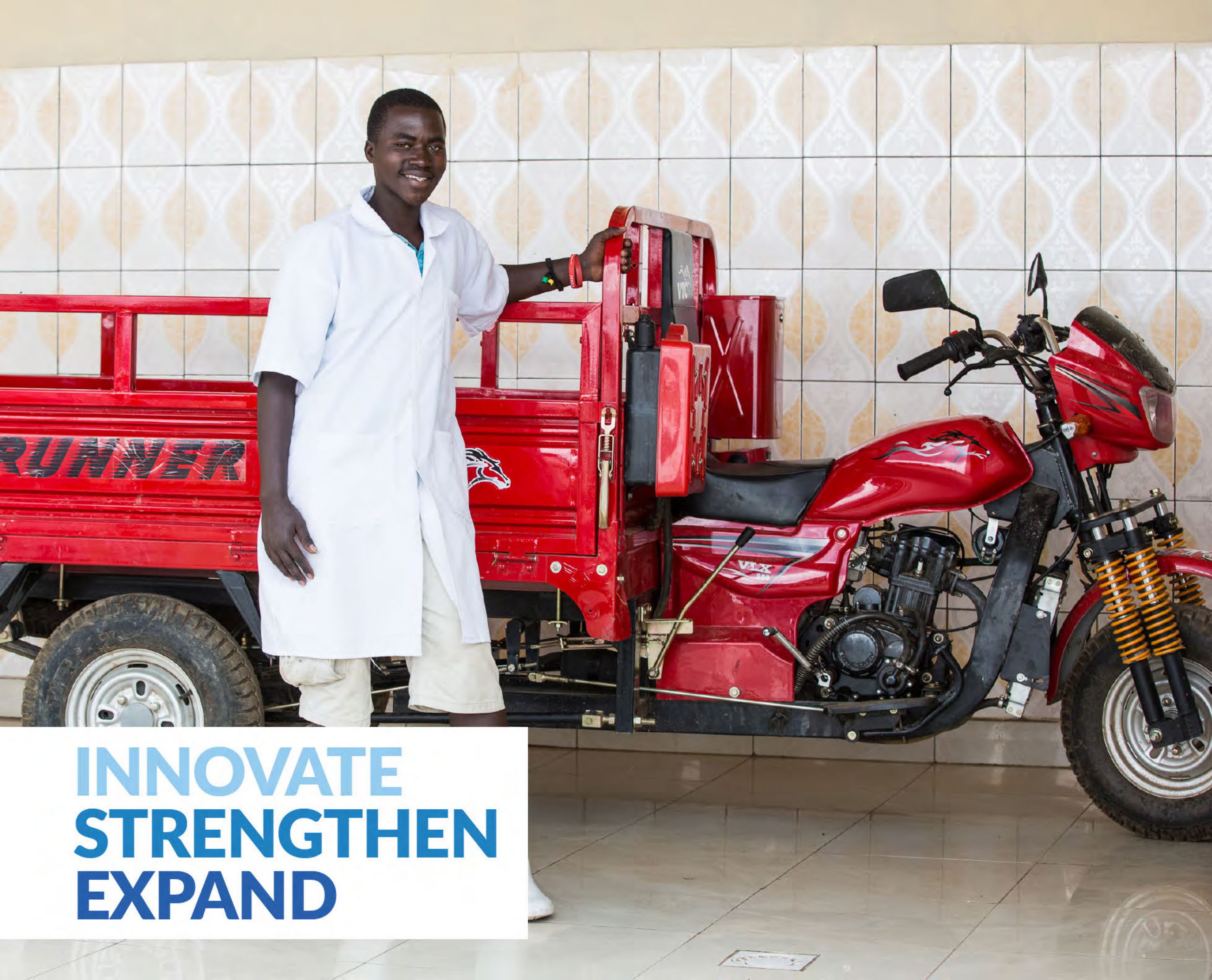
AFRICAN
ENTREPRENEUR
COLLECTIVE



AFRICAN ENTREPRENEUR COLLECTIVE

ANNUAL REPORT 2014





**INNOVATE
STRENGTHEN
EXPAND**

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A MESSAGE FROM JULIENNE



“African Entrepreneur Collective (AEC) was founded on the simple belief that when you help someone realize their potential they not only change their lives, but also their families and communities.”

Borders Constrain Opportunities, Not Potential

Every person in this world has potential, but not everyone has the support or the chance to realize it. Unfortunately, where someone is born is still a primary factor that limits opportunities. Borders constrain opportunities, but not potential.

I have been the lucky beneficiary of incredible opportunities. From family to education to employment, I have been fortunate. Above all, I have had people in my life who have seen potential in me that, at the time, I couldn't yet see in myself.

While backpacking through Mali in 2011, I met Assigué, a determined young tour guide who wanted to start his own hotel. Assigué had dreams and talent, but lacked the resources (business support, access to finance, and a network of advisors) to launch his venture. After meeting him, I began to take notice of other inspiring local entrepreneurs with incredible potential, and I imagined how different their communities might look if these young people had the support to succeed in their visions.

African Entrepreneur Collective (AEC) was founded on the simple belief that when you help someone realize their potential—when you push them to achieve more than they ever thought possible—they not only change their lives, but also their families and communities.

We launched AEC in Rwanda, the 'heart of Africa'. As a landlocked country, Rwanda is focused on promoting private sector development as a way of addressing unemployment and driving innovation. Each day, through our network of accelerators and incubators, we work with local entrepreneurs who have the ideas and talent to create value for themselves and others. Over the past two years, we have seen more than 100 businesses grow, more than 300 jobs created, and countless entrepreneurs exceed their own expectations.

The following pages of this annual report share our innovative approach to entrepreneurship development. At the very core of our work is identifying incredible local potential and breaking down the limiting barriers that African entrepreneurs face.

We know, without a doubt, that there is incredible potential on the African continent. We can't wait to help unleash even more of it.

Sincerely,

Julienne Oyler
Co-Founder and Executive Director

AEC MISSION & VISION

THE CHALLENGE

African economies are some of the fastest growing in the world, but unemployment is rampant. Today there are 200 million youth in Africa and 90 million are under/unemployed. Without strong intervention, this number will double in the next 30 years.

AEC BELIEVES...

... in a simple concept: In order to create more jobs in Africa, we find the people who are already creating jobs, and help them do it better. AEC is based on the fundamental belief that investing in job creation in Africa will have a lasting impact on alleviating poverty. AEC will move entrepreneurs from small-scale business owners to a new class of business leaders driving economic opportunities in their communities and beyond.



ABOUT US

AEC'S APPROACH



FOCUS ON EXISTING ENTREPRENEURS

Entrepreneurs who have already demonstrated viability at a small scale are most likely to succeed in making the leap to the next level where they can employ others. We support entrepreneurs to expand their small businesses and transform their communities.



DEVELOP ENTREPRENEUR CAPACITY

The skills it takes to start a business aren't always the skills it takes to grow a business. We provide hands-on mentoring, strategic consulting, and practical training to equip entrepreneurs with the skills needed for growth.



REMOVE BARRIERS TO GROWTH

As businesses grow to scale, entrepreneurs face additional challenges of management, access to expensive capital, and navigating new regulations. We offer low cost capital and additional supports to empower our entrepreneurs to bridge the "pioneer gap."

AEC FAMILY OF ORGANIZATIONS

AEC is an umbrella organization comprised of a series of incubators and accelerators. Through these four programs, we support more than 100 entrepreneurs annually in a wide range of industries.



Supports small and growing businesses with high potential



Supports tech startups funded by Tigo Rwanda



Provides affordable financing as a Kiva partner



Inspires entrepreneurship through a student business plan competition

HABONA LTD

Jean Bosco Nzeyimana

Turning Waste Into Opportunity



In remote Kitabi, at the edge of the Congo border, there are no reliable energy sources. People cut trees for firewood or buy expensive imported gas for fuel. Waste from the tea processing plant, livestock, and restaurants in the area are sent to landfills nearby emitting greenhouse gases and creating health problems for people in the community.

INNOVATE

With these serious challenges, Habona found a solution. Habona collects biodegradable waste and produce briquettes and organic bio-fertilizers.

STRENGTHEN

As a student winner of the 2013 African Innovation Prize (AIP), Jean Bosco Nzeyimana used his \$3,000 prize money to turn his idea into a reality. In our partnership with AIP, Jean Bosco – and each of the other 3 AIP winners – received all of AEC's accelerator services, from training to mentorship to loan funding to investment pitch training. And when his business faced challenges from local government leaders, we were there with him every step of the way to advocate for Jean Bosco.

EXPAND

Habona has been getting great attention. Recently, Habona received a \$25,000 loan from a UK investor to further expand his business – from starting with small briquettes, to now developing his dream of a full bio-gas production center. And even President Obama is taking note: in June 2015, Jean Bosco will be part of the delegation of Young African Leaders to meet the President and spend three months in the US this summer.

When Jean Bosco's business faced challenges, AEC was there with him every step of the way. The path was not smooth, and AEC's strategic advising, our legal counsel, and our network helped Habona succeed.



MILESTONES

Since AEC launched, the organization has achieved preliminary success in achieving its vision, and we still have much to learn. Our major milestones include increasing the number of services offered to our clients, expanding the number of accelerators we manage, and partnering with Kiva to provide working capital.



2013 MILESTONES

January 2013

- AEC launches
- Partnered with local Rwandan organization Inkomoko

February 2013

- Launched full accelerator services with a beta group of entrepreneurs

March 2013

- Hired 1st staff
- Opened offices
- First mentors arrive

June 2013

- Started accelerator program

July 2013

- Partnered with Kiva to fund loan program and disbursed first loan

August 2013

- Welcomed 1st cohort of 20 entrepreneurs

September 2013

- Grew staff to 5

2014 MILESTONES

February 2014

- Partnered with Opportunity International to provide trainings for borrowers in Kenya, Rwanda and Uganda

June 2014

- Increased course offerings to include finance, Quickbooks and marketing

July 2014

- Reached more than 100 clients

August 2014

- Partnered with Tigo to launch a new technology incubator, *think*

September 2014

- Presented at Social Capital Markets (SOCAP) annual conference

November 2014

- Nationwide search for Rwanda's Best Young Entrepreneur and presented award at African Leadership Network (ALN) annual gathering

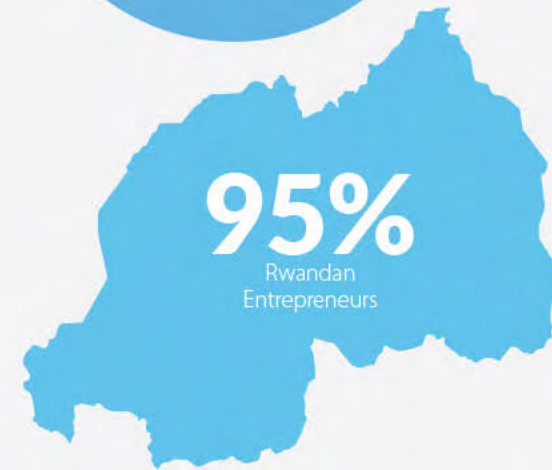
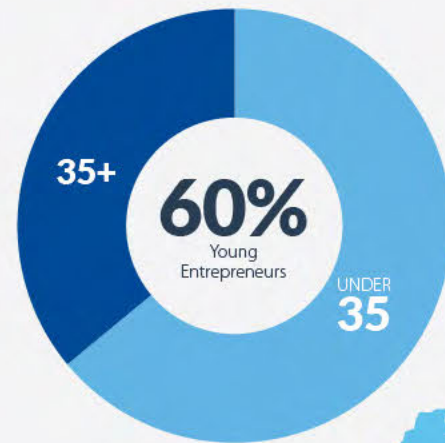
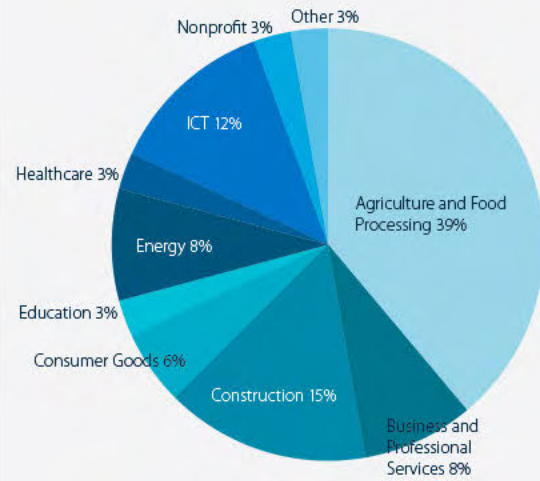
December 2014

- Increased loan fund to \$250,000



AEC BY THE NUMBERS

ENTREPRENEUR DEMOGRAPHICS



AEC'S OFFERINGS



INITIAL IMPACT OF AEC'S WORK



HAPPY HEARTS DAY CARE

Lydie Hakizimana & Tunga Kalisa

A School For Our Children



While Lydie was working on content, AEC's accelerator helped her develop a clear business strategy for Happy Hearts Day Care.

As young working professionals, Lydie Hakizimana and Tunga Kalisa were looking for high quality, culturally relevant, and affordable childcare for their three young children. What they found in their search was either expensive options targeted at foreigners or affordable childcare that was more supervisory than educational. Neither choice was suitable for Lydie and Tunga's children, so they decided to open Happy Hearts Day Care, and enrolled their youngest son as the first student.

INNOVATE

Lydie and Tunga are no strangers to Rwanda's education sector. In 2006, they launched a publishing company and over the past eight years have grown the business to supply textbooks and laboratory equipment to more than 3,000 primary and secondary schools throughout the country. Happy Hearts, a daycare and nursery school for children aged 18-months to 5 years, is the natural next step for their passion for education. The innovative business model offers a high quality curriculum combining Rwandan culture and international standards at affordable prices for Rwanda's middle class families.

STRENGTHEN

Lydie and Tunga see Happy Hearts as a very practical way that they are investing in Rwanda's future. To do it right, they consulted with several advisors and experts in early childhood education. In addition, they reached out to AEC, and we've helped by developing a clear operational strategy, a bankable business plan, thoughtful financial projections, branding, and matched them with a mentor. As a result, Happy Hearts went from concept to launch in record time.

EXPAND

As consummate entrepreneurs with big goals, Lydie and Tunga are using their first school as a pilot, and plan to expand Happy Hearts to additional locations in the next few years. This is a new model for Rwanda, and after testing to see what is possible, there will be thousands of young children who will have the opportunity to access quality education because of these committed parents.

HPS&B LTD

Jean Bosco Rugamba

Investing In The Value Chain



AEC worked with HPS&B to pilot our agriculture specific package, which helps entrepreneurs increase efficiencies in the value chain as well as develop a monitoring and evaluation system to track the impact of the businesses all the way to the individual farmer level.

Jean Bosco Rugamba is a typical businessman, he seizes opportunities when he sees them and makes the necessary investments and commitments to make them succeed. In 2011, Jean Bosco discovered a dormant rice mill. The factory was in good working order, but it was in an area where farmers were producing low rice yields due to poor quality soil.

INNOVATE

Jean Bosco saw an opportunity to create value for this farming community. He leased the processing mill and assembled a team of agronomists and rice experts to improve farming techniques. AEC worked with HPS&B to pilot our agriculture specific package, which helps entrepreneurs increase efficiencies in the value chain as well as develop a monitoring and evaluation system to track the impact of the businesses all the way to the individual farmer level.

STRENGTHEN

Through the use of technology and improved farming techniques, small family farmers have almost doubled their paddy rice production in two years. In addition, HPS&B doubled its sales, increased the

number of full-time staff by 5 employees, and placed permanent agronomists at 10 farming cooperatives.

EXPAND

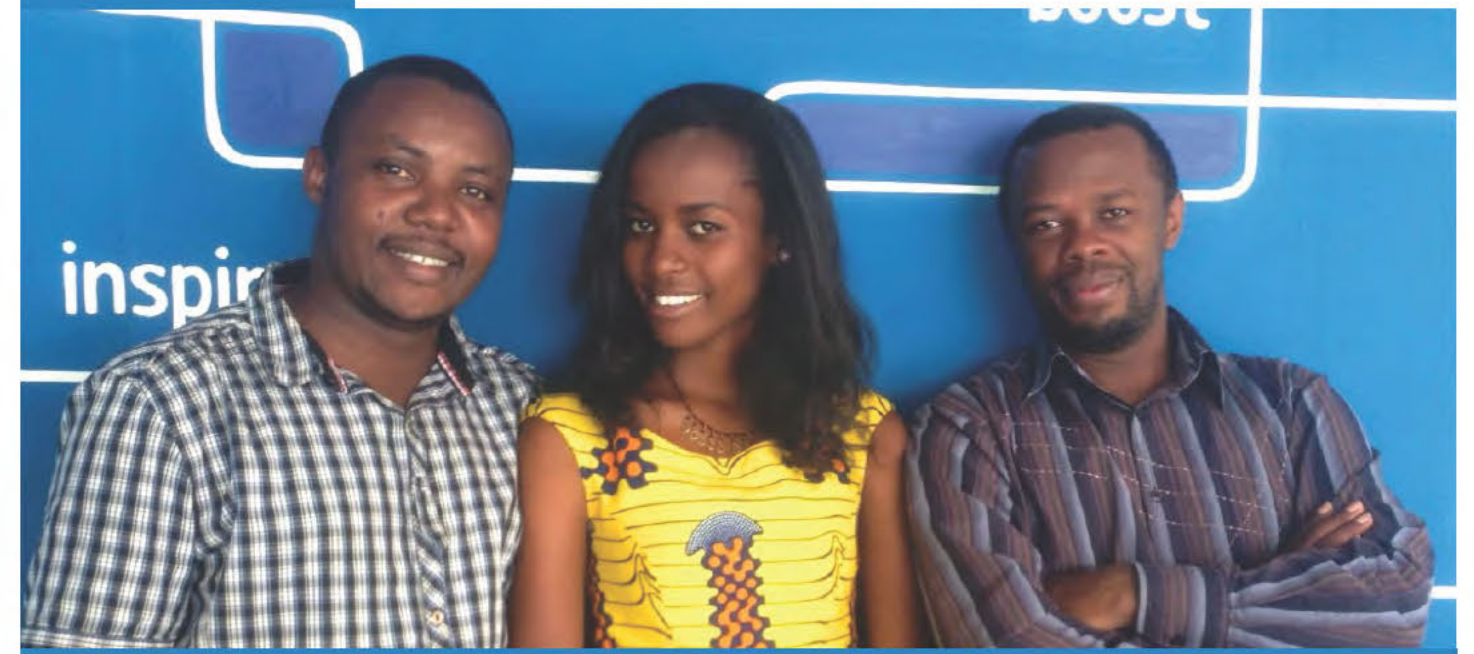
HPS&B is a four-time borrower, starting with a \$10,000 capital loan and increasing to \$50,000. Our investments have allowed Jean Bosco to work with almost 1,000 small farmers in 17 cooperatives. With AEC's help HPS&B, recently secured \$200,000 in additional external investment, allowing the company to increase from 60% to 90% in production capacity.





TorQue LTD
Jean Niyotwagira

Software For The Local Context



As part of AEC's tech incubator, *think*, sponsored by Tigo, we've been working with Jean to help him identify new opportunities to grow his business.

Though Rwanda is growing rapidly, many businesses still use outdated technologies – like simple pen and paper. Young IT developer, Jean Niyotwagira, was inspired to start TorQue, a management software company, to help Rwanda catch up.

INNOVATE

Jean wanted to create a business that impacted every Rwandan, which is why he started with software to track beverage distribution—a glass soda bottle is consumed by virtually every person in every village.

STRENGTHEN

TorQue is not the first company to develop distribution software to help small and medium enterprises. However, it is the first in Rwanda that is affordable and easy to use for people who rarely open a computer. The key to Jean and his team's success is that he listens to his customers.

Employing user-centered design, TorQue focuses on understanding their customers' needs, incorporating feedback into each new version of software. Jean's software is not only helping his own company, but he's providing something new to hundreds of other entrepreneurs.

EXPAND

As part of AEC's tech incubator *think*, we've been working with Jean to help him identify new opportunities to grow his business. While he's a self-taught coder, Jean works with us daily to increase his business acumen. While incubated at *think*, Jean has brought on new contracts in other distribution-focused industries (like cement, telecoms, and insurance), and he's exploring new geographic expansion in neighboring countries. We've prepped Jean to pitch to new investors from Israel and Switzerland, and have no doubt that he'll continue to grow his company with others, like us, who believe in him.

WOMEN IN COFFEE

Joy Tushabe, Therese Kayiraba, and Peninah Kampire

Locally Sourced, Globally Loved



Two years ago, there were no coffee washing stations in Ngoma, Eastern Province. Coffee farmers traveled long distances to transport their coffee cherries to washing stations in other provinces for processing, and some coffee crops were wasted, as farmers could not transport them all.

INNOVATE

With more than 15 years of combined experience, Joy Tushabe, Therese Kayiraba, and Peninah Kampire started their own coffee business, focusing on employing women and helping farmers in their Province. In their first two seasons, Women In Coffee has employed 100 women.

STRENGTHEN

Using an inclusive approach, Women in Coffee accepts coffee cherries from all types of suppliers, including individual small-holder farmers.

To help them get started, AEC gave \$7,000 to Joy for capital equipment, and we work with their exporter Rwanda Trading Company, to help Women In Coffee manage operations. Without this capital, their great idea would not have turned into an actual business.

EXPAND

Today, Women in Coffee is an example to the coffee industry. By professionalizing their business through sound financial management systems, operational policies, and organizational management, they demonstrate that strategy and organization leads to prosperity. Joy and her colleagues finished their first strong season last year – and this year they report even more growth (and more jobs) at the washing station in 2015.

To help Women in Coffee get started, AEC gave \$7,000 to Joy for capital equipment, and we work with their exporter, Rwanda Trading Company, to help Women In Coffee strengthen operations.

LOOKING AHEAD: AEC'S FUTURE PLANS



AEC pushes ourselves to innovate, strengthen, and expand our programs. Here's how:

INNOVATE

AEC's programs for African entrepreneurs address a unique gap in East Africa. We see other incubators providing high quality services to expats, or accelerators that are providing piecemeal services, but no others are providing such comprehensive, world-class offerings we do for local entrepreneurs. Our values push us to stay at this leading edge of African development as we grow.

STRENGTHEN

We are continually inspired by the entrepreneurs that entrust us with the growth of their companies. With reflection, evaluation, and new insight, we're revising to be even more responsive to the needs entrepreneurs share with us. This year, we're adding more staff, stronger internal systems, and the resources needed to strengthen AEC entrepreneurs.

EXPAND

Scale matters. To stem the tide of unemployment for African youth, we have already begun expanding in Rwanda, and we seek to increase our impact across the continent. Our goal is to be in 7 countries within 10 years. Our next geographic expansion will be by the end of 2015, taking the lessons we've learned in Rwanda to create more jobs in African communities that need them most.

IKUSANYIRIZO RY'AMATA RYA TARE



FY 2014 FINANCIALS

AEC uses a hybrid approach to ensure our services are accessible to all those who would benefit most.

ORDINARY INCOME/EXPENSE	USD
Income	
Foundations/Corporations	219,201.00
Individual Donors	31,686.00
Earned Income	26,929.05
Interest Income - Leases	7,408.16
Total Income	285,224.20
Expense	
Payroll/Employees	
Salaries	102,622.55
Insurance & Taxes	14,656.98
Total Payroll	117,279.53
Programmatic Expenses	
Client Supports & Training	11,141.46
Mentor Program	18,298.43
Curriculum Development	2,400.00
Client Travel	10,918.14
Capital Lease Expenses	869.57
Entrepreneur Award	20,000.00
Total Programmatic	63,627.61
Administration	
Office Expenses	21,498.42
Fundraising	10,212.24
Legal	3,403.00
Marketing & Communications	3,066.26
Meals & Miscellaneous	1,528.09
Bank Fees & Exchanges	2,347.53
Rwanda Administrative Taxes	20,345.01
Total Administration	62,362.90
Capital Expenditures	
Fixed Assets	9,750.15
Depreciation	1,526.79
Total Fixed Assets	11,276.93
Total Expense	254,546.97
Net Income	30,639.59

AEC SUPPORTERS

We could not do this work without the tremendous financial support of our donors and huge time contributions of our mentors and volunteers.

To you, we are deeply thankful.

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“ I was 10 years old the first time I saw electricity. Now I bring solar light to my village. At AEC, I gained the skills to take my business to the next level. I am proud to continue leading and growing. ”

-Jean Ntazinda
Founder and Managing Director
Climate Concern Ltd.



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