

The Tony Elumelu Foundation



THE TONY ELUMELU
FOUNDATION

Principle 8



To embrace the spirit of Africapitalism, TEF focuses its narrative on African solutions developed for Africans by Africans.

Tony O. Elumelu

Founder, The Tony Elumelu Foundation



About the Tony Elumelu Foundation

The Tony Elumelu Foundation (TEF) was established in 2010 by Mr Tony O. Elumelu, CFR, leading African investor, philanthropist, Africapitalist and former Chief Executive Officer of the United Bank for Africa which he now chairs. It has become the leading philanthropic organisation dedicated to empowering entrepreneurs and enhancing entrepreneurship in Africa, with the objectives of driving poverty eradication, ensuring job creation across the continent, and improving women's economic empowerment.

The Foundation believes in the critical role of the private sector in Africa's development and has dedicated all efforts toward its landmark Entrepreneurship Programme since 2015. The Programme was launched with USD 100 million of Mr Elumelu's personal wealth, to train, mentor, and fund 10,000 African entrepreneurs in 10 years. This USD 100 million fund has been used to provide financial support to more than 18,000 aspiring entrepreneurs across all 54 African countries, in addition to providing mentorship and key business skills training to hundreds of thousands more.

What was the challenge?

Mr Elumelu envisioned creating a philanthropic entity that catalyses pan-African economic prosperity. His philosophy of 'Africapitalism' is grounded in the belief that a vibrant private sector holds the key to the continent's economic and social prosperity, and that the development of a strong, sustainable small and medium enterprise (SME) sector will support the solutions to major challenges – including rising youth unemployment, mass migration and systemic poverty.

To achieve this vision, after lengthy discussions on potential funding and programmatic models at Board and senior stakeholder level, in 2015 the Foundation moved away from a traditional model of supporting individual scholarships and incubators and became solely focused on empowering young African entrepreneurs with seed capital and extended business development support. After a successful start from 2015-2016, the programme saw even more tremendous growth in demand from 2017 onward. Yet, resource constraints limited the Foundation's ability to support the number of applicants they received, with growing concern at senior levels of the organisation about whether their new model could actually serve the vast needs of African entrepreneurs. By 2021, the programme was receiving over 400,000 applicants each year for USD 5,000 seed funding grants. It became abundantly clear to Tony Elumelu himself, and to the wider leadership team, that they must do something differently to meet this demand and achieve an even more scaled impact.

What was the response?

Seeking to create a larger, more holistic structure to support African entrepreneurs, the Foundation asked themselves a series of questions before taking steps forward:

- ✓ How could the Foundation drive more funding toward the initiative while maintaining the commitment to exclusively supporting aspiring entrepreneurs?
- ✓ What types of non-financial support could and should TEF offer their entrepreneur cohorts?
- ✓ To what extent could the programme be turned from a funding accelerator into a more comprehensive 'mini-MBA' style offering that leverages all of the expertise available within the TEF networks?

The insights they gained from considering these questions were then used as the basis for a range of actions:

- ✓ **Developing multi-stakeholder partnerships** with local and international organisations – including INGOs like the International Red Cross, governmental bodies, private companies, and multilateral organisations like the African

Development Bank and the European Union – to expand the pool of funding available for African entrepreneurs. Under the TEF Entrepreneurship Programme, aspiring entrepreneurs can apply for USD 5,000 seed capital grants to help move their businesses from ideation to readiness for raising commercial capital.

- ✓ **Creating a free, large-scale technological platform** to support not only the entrepreneurs who successfully win TEF seed funding but also the many more who do not advance to the final programme stages. The TEFConnect platform is the TEF Programme’s digital hub, encompassing business development, 1-to-1 mentoring, networking, and pitching. Leveraging technology and automation enabled TEF to broaden its reach.
- ✓ **Expanding support for entrepreneurs beyond just funding.** Through the TEFConnect platform, TEF offers training and mentoring to a far greater number of entrepreneurs than just those who received funding. For instance, in 2021 while 5,000 people received funding, 200,000 participants benefited from valuable business management training. The Foundation is also harnessing its alumni network to expand its growing base of coaches even further.
- ✓ **Harnessing the expertise of Board members and senior stakeholders**, giving them the opportunity to provide hands-on support and involvement in the mentoring, teaching, and curriculum development aspects of TEF’s programmes. Board members and TEF advisors work closely with Foundation staff, contributing their expertise and networks to ensure the successful delivery of the Programme’s initiatives. Expectations about the level of commitment required are set by TEF’s team from the start when engaging stakeholders in the programme. Generally, Board members and senior stakeholders are very supportive of TEF’s commitment to the programme.

What have they learned?

- ✓ Be willing to learn and adapt by listening to your communities and stakeholders. Don’t simply carry on with legacy programmes that limit the impact. For instance, the TEF model for training and coaching for more participants (beyond only seed funding recipients) emerged from the Founder’s commitment to democratise luck and institutionalise access to opportunities for even more young Africans on the programme.
- ✓ Seek ways to maximise scalability when programmes are successful, instead of simply accepting limitations. Do this by leveraging external partnerships to scale up and seeking out partners that have strong impact track records. Identify partners with aligned goals and equally good governance.
- ✓ Ensure rigorous monitoring, learning and evaluation (MEL) mechanisms to continuously assess the impact of your work. Where resources permit, leverage knowledge in this area from Board members, seek specialist advice, or hire dedicated staff onto your team. Avoid seeing MEL as a tack-on exercise.
- ✓ Think big! While TEF is headquartered in Nigeria, they view broader African prosperity as critical to the Foundation’s mission and consistently seek ways to reach entrepreneurs across the continent. They leverage their pan-African resources and collaborations to create an inclusive experience for those from different linguistic or cultural backgrounds.
- ✓ Agility: With its proximity to the entrepreneurial ecosystem and its daily realities, TEF gains unique insight into emerging needs in Africa and the innovative ways that young people address them. TEF uses this knowledge to support growing numbers of entrepreneurs in providing solutions to Africa’s challenges and harnessing digital technologies to reach their customers. TEF also makes a conscious effort to address demographic imbalances, striving to increase the inclusion of more young women in its cohorts.

“We are intentional about creating a completely inclusive programme and accommodating socio-cultural diversities across Africa. Without this, we cannot have success.”

Monitoring and Evaluation Manager, Tony Elumelu Foundation

Key outcomes and impact indicators

18,000+

18,000+ new enterprises launched and advanced across Africa since 2015.

77%

77% of TEF-funded entrepreneurs from the recent cohort now generate revenue.

60%

60% of TEF's 2021 funding cohort employ up to 5 people each in their businesses, 26% employ 6-10 employees, 9% employ 11-20 people, and 3% have a staff of more than 21+.

4000

4,000 volunteer global mentors now support the development of SME entrepreneurs through TEF.