Major findings of the scholarship-holders of the exchange program “Go Africa... Go Germany 2010/2011”

Youth Entrepreneurship in Germany and Africa

Promotion through Partnership
We, the participants of the fourth German-African exchange program “Go Africa... Go Germany 2010/11” from Germany and Southern African countries, are proud to hereby present the following paper as a major result of our collaborative work.

Reception at Bellevue Palace, 2010

Agnes Leder
Christina Saulich
Franz Böttcher
Jessica Haring
Lena König
Lisa Breitenbruch
Malte Liewerscheidt
Martin Ostermeier
Mitja Thomas
Paul Langer
Sofia Shabafrouz
Yasmin Kumi
Yolanda Zahn
Dorothy Makaza
Drushka Lukea
Grace Mganga
Gysbertus Hough
Katherine Furman
Kudzai Mtero
Mandisa Mathobela
Ndesihokwa Vatilifa
Nyasha Mphahlo
Pride Mulonga
Riambatosoa Rakotondrazafy
Sabiti Mugara
Sarfo Baffour

COORDINATION AND RESPONSIBILITY: Miriam Shabafrouz

LAYOUT: Sofia Shabafrouz
Mitja Thomas
# CONTENTS

## PREFACE

1

## I. INTRODUCTION

2

## II. MAJOR FINDINGS

3

1. Young entrepreneurs in Germany and Southern Africa
   - Young entrepreneurs and their role in society
   - Skills, motivations and responsibilities of successful young entrepreneurs

2. Opportunities and barriers for business creation by young people
   - Political factors
   - Economic factors
   - Social and cultural factors
   - Technological factors
   - Environmental factors
   - Legal factors

3. Youth entrepreneurship policy and civic education
   - Instruments and economic policy for promoting youth entrepreneurship
   - Markets with potential for young entrepreneurs
   - Civic education for responsible young entrepreneurs
   - Youth entrepreneurship in the context of a German-African partnership

## III. CONCLUSION

6

## IV. INTERVIEWS

8

- **Edgar Bongkisihy**, Cameroonian entrepreneur and software developer

10

- **Mamy Joel Ramahifarison**, founder of a cyber café in Madagascar

11

- **Nele Heinevetter**, founder of Niche Art and Architecture Tours Berlin

## V. REFERENCES

12
PREFACE

The “Go Africa… Go Germany…” program is conceptualised and organized by the Federal Agency for Civic Education (bpb) and is under the patronage of the President of the Federal Republic of Germany, Christian Wulff. It took place for the fourth time from August 15th to September 2nd, 2011 in Germany and from March 12th to March 28th, 2011 in South Africa and Swaziland. It is designed to bridge the knowledge gap between the realities and perceptions that Germans and Africans have of each other. The program is mainly aimed at students and young graduates up to the age of 28 engaged in the subject areas of political science, international relations, economics, media science and law. By bringing together this young generation of academics and young professionals in an intercultural meeting, it aims at encouraging an interdisciplinary and intercultural exchange and learning experience.

One of the major aims of the program is to acquire a creative human basis for future German-African cooperation and to facilitate exchange between the scholarship-holders and established experts in the fields of economics, politics and law. To date, participants from all over Germany and more than 20 African countries have travelled together through Germany and at least one African country on the second part of the program. In 2007, the trip led us to Namibia; in 2008/09 to Tanzania and Uganda; in 2009/10 to Ghana and Nigeria; in 2010/11 to South Africa and Swaziland, and in 2012, a new group of participants will travel to Kenya and the newly founded Republic of South Sudan.

By means of peer-teaching and on-going training, scholarship-holders will be able to act as multipliers of the lessons they have learned in Germany and Africa within their respective local contexts. The creation of a Common Paper serves as the first collaborative effort between all 26 “Go Africa… Go Germany…” scholarship-holders. The focus lies on topics related to youth in Germany and Africa, and the German-African Partnership. The fourth generation of the “Go Africa… Go Germany…” program was challenged to write about youth entrepreneurship and civic education. The results were summarized in our “Major Findings” and will be distributed to academics and decision-makers for further discussion.

For more information and for accessing previous Common Papers, please visit the website of this program: www.bpb.de/goafrica
I. INTRODUCTION

In the course of the next decade approximately five hundred million young people will enter the labour market (Haftendorn & Salzano 2003: iii). However, many of them have great difficulties in finding an appropriate job and are not able to make use of their skills and qualifications. In general the unemployment rate amongst young people is twice to three times as high as it is for adults (OECD 2008: 30). Due to the global recession the prospect of employment by established companies is further hampered. The young people's bad access to the labour market often results in a vicious cycle of poverty and social exclusion.

By not being able to participate in their respective economies, these youths are at risk of not reaching their full potential and impose constraints on the economy and relevant social structures. This is due to the fact that the government's investment in education and training will bear no fruits if young people do not move into productive jobs that enable them to pay taxes and support public services. Furthermore, poor employment at the beginning of a young person's career may have negative effects on job prospects in later life (Haftendorn & Salzano 2003: iii). Not only does it impede opportunities to gain work experience and practice expertise but it also prevents young people from establishing a functional network of business contacts.

An essential prerequisite for this endeavour is an innovative education system which emphasises the development of skills and attitudes that make up an entrepreneurial mind-set such as lateral thinking, questioning, independence and self-reliance among young people. In addition to that, young entrepreneurs should be provided with further education during vocational training, business incubation and the start-up phase of their businesses.

This paper primarily focuses on the link between entrepreneurship and civic education in Germany and Southern African countries. The entrepreneurs' status as self-employed risk takers within their communities makes them positive role models. Entrepreneurs who have gained knowledge on the subject of civic education are more likely to be good corporate and civic citizens. If these entrepreneurs act in a corporate and socially responsible manner they have the potential to become what is commonly referred to as “multipliers”. As multipliers they are able to promote the virtues of the civic educated life on a broader basis than other citizenry and can therefore make an important contribution to society. Due to their energy and innovative approach to problems it is especially important that young entrepreneurs participate in their communities and broader society.

The first section of the paper focuses on the characteristics, necessary capabilities and motivation to start up a business of young entrepreneurs in Germany and Africa and the impact of youth entrepreneurship on the society as well as on young entrepreneurs. Personal interviews with a range of young businessmen and -women will complement theoretical findings and give insights in different businesses and the personalities of their founders as well as in country-specific political, social and economic realities.

In the third chapter a special focus lies on the opportunities and barriers to business creation by young people which will be analysed following the PESTEL-Scheme. This scheme takes into account political, economic, social, technological, environmental and legal factors that young entrepreneurs have to take into account when starting up their businesses.

The following section compares economic policies for promoting youth entrepreneurship in Germany and identifies new markets of interests for young entrepreneurs. A special focus lies on finding ways of promoting responsible and sustainable business management through civic education. Finally the authors deal with the potential of youth entrepreneurship policy and try to find new strategies for facilitating youth entrepreneurship within the German-African Partnership.

II. MAJOR FINDINGS

In this paper we referred to young people aged between 18 and 35 years, who start their own business. Entrepreneurship was defined as recognizing “an opportunity to create value, and the process of acting on this opportunity” (Schoof 2006: 7) and it includes economic, public as well as social entrepre-
neurship. We focused on young entrepreneurs in Germany and South Africa.

1. Young entrepreneurs in Germany and Southern Africa

The first section concentrated on the personal capabilities and responsibilities of young entrepreneurs and was complemented by several interviews with young entrepreneurs in Germany and Africa.¹

(a) Young entrepreneurs and their role in society

(Youth) Entrepreneurship can have a considerable impact on societies. It plays an important role for the economy, in value and job creation as well as in skills development and innovation. That is why, on the one hand, (young) entrepreneurs have a strong responsibility towards the societies they operate in. Responsible entrepreneurship means “how to run a business in a way that enhances its positive contribution to society whilst minimizing negative impacts on people and environment” (Liikanen 2003). On the other hand the political, socio-cultural and economic environment in which young people are willing to operate plays a significant role in determining an entrepreneur’s success.

(b) Skills, motivations and responsibilities of successful young entrepreneurs

If one is willing to foster youth entrepreneurship and to advance its possible benefits for the society, different aspects have to be considered. First of all, whether a young person can become a successful entrepreneur depends fundamentally on his or her motivations for engaging in business as well as their personal skills and relevant character traits. In addition to subjective internal motivating factors, like a high need for achievement or satisfaction from completing tasks independent of others, a variety of external motivating factors also exist. The most common reason for becoming an entrepreneur seems to be the intrinsic need to earn more money and a prestigious status in society (Henderson & Roberts 2000). Important skills and personality traits such as motivation, creativity, the willingness to take risks, a strong and stable character as well as economic and strategic knowledge and thinking are all needed to become a successful entrepreneur. Young entrepreneurs can be particularly good at risk-taking as they are less likely to be affected by previous experiences and they bring a youthful audacity with them.

2. Opportunities and barriers for business creation by young people

The ability to start up a flourishing business therefore is a mixture of an entrepreneurial personality, good education and the right political, socio-cultural and economic environment. These macro-environmental opportunities and barriers are also shaped by government policies and regulations. In this paper we used the PESTEL-framework as a tool to categorize and analyze political, economic, social, technological, environmental and legal opportunities and barriers for successful and responsible Youth Entrepreneurship in Germany and South Africa.

(a) Political factors

The political environment can either promote or discourage entrepreneurial development in a country. It includes macro-economic policies, governmental support for (youth) entrepreneurship, political stability and corruption. In South Africa some of the regulatory laws are considered hindrances to the development of SMEs. Germany benefits from the European common market, but for the collaboration between German and South African entrepreneurs, trade regulations often function as a barrier, especially as many African countries mainly export agricultural products. Although the German and South African government try to support Youth Entrepreneurship, e.g. with start-up capital, many young people do not know about these support mechanisms.

¹ These interviews are available on the www.bpb.de/goafrica website under the section "Common Paper".
(b) Economic factors

The second consideration is the economic factors. Access to capital is a very important determinant in youth entrepreneurship because young people often lack the financial resources needed to start their own business. Loans with lower interest rates and longer payback periods are provided from public institutions in Germany as well as in South Africa to promote (youth) entrepreneurship. In the South African context differences between the formal and informal sector have to be considered. The informal sector contributes extensively too many African economies and for many young people, especially with lower levels of education, it is an attractive sector when entering the labor market. However, for various reasons informal businesses are very unpredictable, economically and personally risky and have severely limited opportunities to access capital. Therefore the graduation of (young) entrepreneurs from the informal to the formal sector is an important aim. Other relevant economic factors are the unemployment rate, economic growth rate, inflation and market forces. These economic aspects can easily be used by policy makers through favorable adjustments to encourage young people to start their own business.

(e) Social and cultural factors

Social and cultural factors also strongly influence entrepreneurial activities. The social norms and attitudes towards entrepreneurship in Germany and South Africa are among the most negative in the world and therefore constrain entrepreneurial activities (based on the analysis of Gert Hofstede). Furthermore both countries hold a strong masculinity orientation in comparison to the world average, which might hinder business creation particularly by women. Notably, in Germany the tolerance of uncertainty is relatively low and the fear of failure is high, whereas in South Africa more paternalistic and autocratic social structures prevail, both facts that might discourage young people from starting up a business. In both countries business activities often seem to be short-term orientated and in South Africa “tenderpreneurship” is a significant problem. On the other hand, both, the German and South African society, seem to place great importance on individual rather than collective action, a cultural norm that might help fostering business creation by (young) individuals. There is no unique formula to deal with different socio-cultural attitudes in society and how they can be turned from barriers into opportunities. This is also a medium or long-term process. Evaluating and assessing socio-cultural backgrounds and their impact are important first steps in creating awareness and understanding.

(d) Technological factors

Successful (youth) entrepreneurship also requires basic technological facilities and infrastructure, which are usually provided by the state. The overall quality of German infrastructure is high according to the 2010/2011 Global Competitiveness Index. German infrastructure can facilitate (young) entrepreneur’s success. South Africa, along with Mauritius, topped the African rankings, but lagged far behind Germany. South Africa has good transport infrastructure, particularly because of the development that took place in preparation for the World Cup 2010. However, power and telecommunication, which are also of critical importance for successful enterprises, could be significantly improved upon. Moreover the distribution of infrastructure is variable between urban and rural areas. Nevertheless, South Africa is an anomaly in Africa and most other Sub-Saharan African countries, even within the SADC-region, which do not have the same levels of infrastructure development.

(e) Environmental factors

Young entrepreneurs in Germany and South Africa are faced with environmental problems such as pollution, global warming, floods and overexploitation of natural resources that could eventually negatively affect their businesses. Therefore, young entrepreneurs must integrate environmental concerns into the vision of their business and become more environmentally friendly. Furthermore, new economic sectors can provide opportunities for young entrepreneurs to start new businesses, for example in the alternative energy, transportation or environment-friendly production sectors.
(f) Legal factors

The last component assessed in the PESTEL-scheme is the legal factor. Young entrepreneurs in South Africa and Germany have to consider a multitude of legal and administrative issues considering their business activities, starting with the name and structure for their company. They also need a variety of licenses and permits and have to consider the risk of insolvency. In both countries administrative hurdles for starting a venture are relatively high compared to the rest of the world. In conclusion, on the macro-level there is a multitude of factors affecting (youth) entrepreneurship in either a positive or negative way. These factors are challenges that can and have to be addressed by policy makers.

3. Youth entrepreneurship policy and civic education

The last chapter dealt with the political dimension of young entrepreneurship, elaborating both on the political measures to promote business creation and on measures to foster the feeling of civic responsibility of young entrepreneurs. Special attention was given to the potential of a German-African partnership for youth entrepreneurship.

(a) Instruments and economic policy for promoting youth entrepreneurship

Instruments of an economic policy to promote (Youth) Entrepreneurship can be categorized into funding, counseling and training. In South Africa as well as in Germany numerous public and private initiatives to support (young) entrepreneurs exist. Start-up loans with lower interest rates and longer payback periods are provided from public institutions in both countries, and there are a variety of programs and organizations that provide training and counseling for (potential) new entrepreneurs e.g. in business plan creation, financial management, marketing or legal issues. But both countries lack an all-encompassing coordinating structure and an overall strategy for their (Youth) Entrepreneurship policy. In our opinion a fruitful dialogue between federal ministries (in the case of Germany), private organizations and NGOs as well as a closer cooperation between economic- and education policy would lead to more effective results.

(b) Markets with potential for young entrepreneurs

As markets with potential especially for young entrepreneurs we identified the IT sector and the sector of environmental technology for both countries. For South Africa one has to keep in mind the split which still exists between the formal and informal sector. In the formal sector the market-entry barriers are often considerably high; the highest market-potential here probably lies in the service industry. New possibilities can also be seen in the tourism industry, especially in ecotourism. In the informal sector market-entry barriers are lower and starting an informal business can be a first step out of poverty and unemployment for young people. The German economy is largely export-oriented. The highest potential for young entrepreneurs is seen in the IT, communications and innovative technology-markets. Another constantly growing market is the health sector.

(c) Civic education for responsible young entrepreneurs

Funding and entrepreneurship education are important aspects in the promotion of successful (youth) entrepreneurship. But (young) entrepreneurs should not only be individually economically successful but their business activities should also serve society at large. To achieve this second important goal, in our opinion, civic education is imperative. Civic education for responsible (young) entrepreneurs should promote basic civic knowledge (e.g. about the political system and current political issues), civic dispositions and attitudes (such as compliance to democratic principles and reciprocity), participation and civic duty (such as voting and paying taxes) as well as social and environmental responsibility (e.g. towards their customers, employees, business partners and the environment in which they operate). Civic education in South Africa and Germany is provided by both public and private institutions, in schools and through extracurricular activities.

In Germany, general civic education is integrated into the curricula of all types of schools but entrepreneurial education is only significantly promoted in
commercial-orientated high schools. At university level, many business study courses do not integrate civic education or Corporate Social Responsibility (CSR) into their curricula. Extracurricular entrepreneurship education in Germany focuses mostly on economic knowledge but not on CSR or civic education for responsible (young) entrepreneurs. Other fields of study on the other hand, largely do not address questions of entrepreneurial knowledge. Extracurricular civic education in Germany is provided by public and private institutions like the federal agencies for civic education, churches, foundations, unions or associations. It is often open to the entire population or targeted at specific groups, like school children, teachers or residents with a migration background. To date, (young) entrepreneurs do not appear to be an important target group of (extracurricular) civic education in Germany.

In many developing democracies, including South Africa, other social issues such as job creation, poverty reduction, crime and HIV prevention are of more immediate concern than the broader issue of civic education. It is for that reason that publicly and privately provided civic education often seems unstructured and focused on the short-term. Schools often do not have sufficient funding and equipment to provide broader civic education, while entrepreneurship education also is not a priority. Public institutions like the National Youth Development Agency (NYDA) and development cooperation projects like the USAID program “Democracy for All” try to improve the employability as well as the civic education knowledge and practice of young people in South Africa.

(d) Youth entrepreneurship in the context of a German-African partnership

The title of this paper is “Youth Entrepreneurship in Germany and Africa – Promotion through partnership”. This headline implies two different requests. First: What can a German-African partnership on an eye-level contribute to the promotion of (youth) entrepreneurship in both regions? And second: What can a positive entrepreneurial culture and responsible young entrepreneurs contribute to the further promotion of a fruitful German-African partnership?

Concerning the potential of youth entrepreneurship policy within the German-African partnership, the programs run or supported by the German Federal Ministry for Economic Cooperation and Development (BMZ) and the Federal Foreign Office (AA) are of particular interest. Initiatives like the welt warts- and the ASA-program (especially its branch ASAprenuers) or the GIZ’s International Leadership training and support young people from Germany and Africa with intercultural experience and knowledge, civic education and occasionally entrepreneurship education is essential.

It should be noted that concerning entrepreneurship education for young people and the promotion of a German-African partnership, there are special programs run by trade associations and the business community in Germany, like the STEP program of the SAFRI initiative or the “Afrika kommt” initiative of the German Business. Programs like these illustrate the increasing, economical interest for Africa in Germany.

There are approximately 600 German companies with operations in South Africa. These companies employ over 90,000 workers. Most German companies in South Africa are in the secondary sector and are involved in machinery, electronic, chemical, pharmaceutical, automobile and metal production. The Southern African-German Chamber of Commerce and Industry serves as a representative of these companies and the German economy in South Africa. Although these companies are contributing to South Africa’s development through offering much needed employment, they are not doing much towards the promotion of entrepreneurship among South Africa’s economically marginalized groups who lack the skills and education needed to make them employable. More joint efforts in this area could bring about tangible and lasting results.

III. Conclusion

In order to promote responsible youth entrepreneurship through a German-African partnership on an eye-level, as well as promoting a strong German-African partnership through responsible youth entrepreneurship, the triple goal of intensifying entrepreneurship education, civic education and intercultural knowledge is imperative.
Considering this triad, a lack of congruency has to be observed in Germany. A lack of civic education measures in the classic entrepreneurship and management education still exists. On the other hand, young entrepreneurs have not yet been identified as an important target group of general civic education activities. In the German educational system, entrepreneurship is not strongly promoted and the provision of entrepreneurial skills does not play an important role in the system. The country is missing a supportive entrepreneurial culture. Programs linked to the German-African partnership are playing a certain role in civic education but only a negligible one in entrepreneurship education. A major obstacle to a fruitful economic partnership is the biased image of Africa prevalent in Germany. Africa’s potential in terms of innovation, economic growth and as a trade partner is widely ignored.

Recent developments indicate steady changes in perceptions of Africa in the developed world. In the aftermath of the financial crisis, western societies are searching for more sustainable ways of economic development (Koe Hwee Nga/ Shamuganathan 2010: 259). For German businesses the acknowledgement of their CSR becomes an increasingly important competitive factor. Consumers increasingly concerned about the social and economic implications of their lifestyle and consumption (BMZ 2009: 7f.). Additionally, the broadcasting of the Soccer World Cup 2010 in South Africa brought positive public attention to South Africa and the continent at large. Furthermore, recent economic developments in many African countries are starting to change the existing image of Africa in Germany (Fischermann 2010; Grill 2010; McKinsey Global Institute 2010). Its economic capabilities are becoming increasingly recognized, especially by political leaders, entrepreneurs and investors. In addition to this, intercultural knowledge and experience between Germany and Africa are increasing because of the general upward global integration process and the broad, multiplier-focused approach of existing exchange programs.

Political efforts are necessary to make the best out of the bilateral prospects between South Africa and Germany. First of all, business ethics should be systematically included into the curriculum of future young entrepreneurs and business managers at universities in Germany and South Africa. Special emphasis should go towards questions of global development and justice in international-oriented economics courses. Universities should try to capitalize on their alumni-networks to provide practical insights to their students. In addition to this, student voluntary engagement should be promoted, e.g. in the context of BAFöG. Furthermore, educational institutions could cooperate with extracurricular providers of civic education.

Academic as well as extracurricular civic education should try to reduce general resentments against entrepreneurs and emphasize the additional value that society as a whole could draw from a culture of...
responsible entrepreneurship. (Young) entrepreneurs and future managers should be considered a special target group to provide with civic education to further promote this culture. Civic education providers should continue to work on correcting the biased image of Africa in Germany. Intercultural exchange between Germany and African countries and public-private partnership initiatives aimed at improving mutual knowledge about each other should therefore be further promoted. This is not only an end in itself but very important for possible economic cooperation, as only profound knowledge about the counterpart’s needs, values and attitudes will make this cooperation mutually rewarding. Some well-designed ambitious programs already exist. As only a few people get the chance to participate in such a program, it is very important to engage them as multipliers in their home countries upon completion of the program. A common problem of such programs is that only few (often already privileged) people know about them. For that reason the information of existing programs should be enhanced.

Civic education provided to South African youth should also encompass a component of responsible business engagement. This will go a long way in ensuring that South Africa has responsible business and political leaders who contribute positively towards the country’s development. Germany could assist South Africa with its civic education program and entrepreneurship promotion by providing technical and financial assistance in both areas. The German government, civil society, private sector and independent entrepreneurs can identify business areas which have growth potential in South Africa and work towards mutually beneficial business engagement. This business engagement has to have a significant component of Corporate Social Responsibility (CSR) that empowers South Africa’s economically marginalized groups. Some of these areas of bilateral business engagement could be in Information Technology (IT), tourism, ‘green’ business (energy), social entrepreneurship, natural resources and minerals among many other areas of possible business engagement.

If these measures are implemented, the promotion of youth entrepreneurship through a German-African partnership on an eye-level and the amplified promotion of this partnership through youth entrepreneurship and economic cooperation seem possible and mutually beneficial for both parties. In conclusion, the promotion of responsible entrepreneurship and youth partnership in Africa and Germany depends on our ability to confront the challenges that affect Africa such as unemployment, political instability, poverty and lack of adequate resources, HIV/AIDS and crime. In Germany, it is necessary to increase the awareness of the importance of civic education and to recognize young possible future executives as a relevant target group. Concerning the German-African partnership, improved and well-informed knowledge about Africa to correct the biased image that is held is of paramount importance. Awareness of the various bilateral benefits of a partnership on an eye-level should be raised. It is when those problems are dealt with, that we can build a meaningful partnership at a local, regional, national and global level.

IV. Interviews

Edgar Bongkishe, 35, is a Cameroonian entrepreneur and software developer living in Cologne, Germany since 1997. He studied media computer sciences in Stuttgart and is currently a Senior Developer at MeinAuto.de. He has been working on different business ideas since 2006 with the eventual goal of establishing an internet-startup in Germany and Cameroon.
What is the nature of your business?
My current project is Launisch.de, an internet start-up and a social platform for emotions. The purpose of the platform is to categorize and rate articles or postings according to moods. On this project I’m working with two partners.

What motivated you to start the business?
I keep coming up with internet ideas that are not out there yet and have an entrepreneurial spirit which won’t let me rest until I turn some of my ideas into running businesses. The feeling that I would in this way contribute in a big way to society keeps me working hard on new concepts.

What was your source of finance for your startup?
I am financing the projects in the starting phase more or less with personal savings and partner contributions. My intention is to attract viable investors in the long run and hopefully get a return on investment too. Most internet projects live from advertisements, so I’m always working with partners with a background in business administration.

How long did it take you to establish the business and break-even?
I’ve been working on the concept and implementation of launisch.de for the last one and a half years. But the platform is not yet in production, so we’ll see how it turns out.

What difficulties did you face while starting up the business?
The most difficult part is to get the project financed. Additionally working as an employee, I’m still fully employed by MeinAuto.de and that doesn't leave enough time to concentrate and get my ideas realized fast enough. I’m presently doing a lot of overtime with the insight that the longer you wait the vaguer the idea becomes. So pulling launisch.de through is my main objective now.

Was there a point when you were about to give up?
The vain search for finances and the lack of interest from investors makes you develop doubts about a business idea. But I think it is the market that finally decides in the end. You can only win if people find your project useful.

What capabilities and skills do you think an entrepreneur should have?
An entrepreneur should be a fast decision maker and have good communications skills with customers, employees and partners. He should also be patient, persistent and confident in his ideas.

What were the reactions of your friends and family when you decided to start your own business?
Most of my friends were excited and very supportive. My parents, especially my mother, who is also an entrepreneur, believe 100 percent in my capabilities. It is very inspiring to be surrounded by positive and progressive thinking people. My family and friends definitely belong to that category.

Which factors would have facilitated the founding of your business?
Coming from Cameroon to Germany, I had to bridge a big cultural gap and completely change my mindset. The way of doing business here is fundamentally different from the way Cameroonians go about things. State sponsored funding and a platform for foreign entrepreneurs in Germany would have also helped. The African lobby in Germany doesn’t have much of a voice and that doesn’t make it easier. As far as African entrepreneurs in Germany are concerned there is no solid foundation to build on.

What does work mean to you?
Work for me has to be first of all some sort of a hobby. It’s stress when you wake up and already are in a bad mood, just thinking about work. Your job should be fun and that can only happen if you like what you are doing. Identification with your career is definitely a huge motivating factor.

Where do you see yourself and your business ten years from now?
In ten years from now I see myself having a full operating company in Germany with a branch in Cameroon.
What is the nature of your business?
I own and manage a cyber café with three associates. We offer different services, like printing documents, photocopy, computer graphics, data entry services, producing invitation cards, maintenance of computers and printing of posters. We also sell computing materials such as hard drives and USB sticks.

What motivated you to start the business?
I could not find any permanent employment, and I wanted to make money. My associates and I dreamed of our own company which would make our parents proud, especially since we were really young and had not yet worked in a formal environment before. We chose the computing industry because we had knowledge about it. Being our own boss allows us to be free, to work in a manner that suits, to spend the profits as we desire and work flexible hours.

What was your source of finance?
To get funding, we agreed that each of us had to sell any valuable goods we owned. So we sold items such as our bicycles, music instruments and even our computers. And we also did some part time work in repairing old computers.

How long did it take you to establish the business and break even?
The first two months were really difficult for us and we were about to give up. We only started to realize profits in the third month; so far the past five months have been good.

What difficulties did you face while starting up the business?
In the beginning, we had a lack of materials such as the computers, scanners and photocopiers. It took about two months to get the license to access internet. This was a real challenge because internet services are our core products, the other services only supplement this service. This was one of the reasons that we did not attract many customers to our café. Additionally, there were many other cyber cafés operating near our premises at much cheaper rates so there was a lot of competition. Our families also did not support our idea of entrepreneurship and often told us to look for formal employment.

What current challenges do you face now that you have established your business?
The biggest challenge we have is the devotion of the associates to the business. Apart from the cyber café, each of us manages other personal smaller entities. One sells computers, the other sells cars etc. Sometimes, I am the only one who is working in the café, which makes it difficult to properly attend to all the customers while handling the finances and other supplies. Other than that, we are all still young and need time to engage in other activities such as relationships! At times we need to work till midnight and over the weekend and it is quite stressful.

What capabilities and skills do you think an entrepreneur should have?
Starting a business is not easy. Entrepreneurs therefore need to be optimistic and have the motto: “Never give up” in mind. In my opinion, young people are creative and always find solutions. Entrepreneurs should not be afraid of competition and also be flexible and set realistic targets in a field they are knowledgeable.
What were the reactions of your friends and family when you decided to start your own business?

Only a few of our family members and friends encouraged us. The majority questioned the viability of our business, perhaps because they were jealous as some are currently running their own cyber cafés.

Which factors would have facilitated the founding of your business?

It would have been useful to have more knowledge in the IT-industry. We knew the basics, however for some problems we had to learn on the job. If for example I had had a degree in Computer Sciences things would have been easier.

Where do you see yourself and your business ten years from now?

In ten years, I am sure that I will have obtained at least a formal diploma in computer graphics. Then, I hope to start my own business without any partners specializing specifically in advertising. For this company I hope that will expand beyond our borders.

**NELE HEINEVETTER (middle), 28, founded NICHE ART AND ARCHITECTURE TOURS BERLIN in 2009 with her two partners. Their business plan won a prize in a competition. With the trophy money the three young ladies realized their dream to combine work and passion.**

What is the nature of your business?

NICHE ART AND ARCHITECTURE TOURS BERLIN introduces participants to remarkable art and architecture locations in the German capital that are off the beaten track. The tours are geared to art and architecture enthusiasts looking for competent insider knowledge. Rather than focusing on galleries and buildings featured in most tourist guides, NICHE explores unique hotspots and backdrops that contribute to Berlin’s thriving contemporary art and architecture scene.

What motivated you to start the business?

We founded our business at the beginning of 2009 in reaction to a fascinating phenomenon: By necessity, art and architecture lovers tend to visit only the well-known galleries and buildings in Berlin. That’s because new urban developments and alternative art spaces rarely make it into tour guides. But of course, it’s the newest trends and developments that appeal most to experts and connoisseurs – and those spaces, in turn, can benefit from a new audience. The idea for NICHE ART AND ARCHITECTURE TOURS BERLIN was born. We (two art historians and one architect) had already devoted our free time to art and architecture and wanted to share our passion as well as make those treasures accessible to a wider public. We love to transfer knowledge and create dialogue between the people working in Berlin and those who want to know the scene better.

What was your source of finance?

We did not have to make bigger investments and still have very little fixed costs. We started the business during our studies depending on our savings. We then won a business plan competition and invested the trophy money.

How long did it take you to establish the business and break-even?

Our break-even was immediate and through the competition we had press-coverage from the beginning. We’re still growing though.

What difficulties did you face while starting up the business?

Being three partners who set up a business in their free time required much coordination. Also doing it on our own involved a lot of trial-and-error. The business plan and the prior market analysis was thus vital.

What current challenges do you face now that you have established your business?

At the moment we are trying to expand our activities – both horizontally and vertically. We are recruiting
people and are trying to professionalize operational sequences.

Was there a point when you were about to give up?
We definitely did have moments when studying, working and running a business felt like an overload we couldn’t handle anymore.

What capabilities and skills do you think an entrepreneur should have?
One should be very creative – but persistent, follow one’s plan but adapt to changing conditions quickly. Working with people and being genuine is very important for us. We treat everyone – be it client, partner or employees – the way we want to be treated. But we never lose sight of our goal, which is to make money with this service.

What were the reactions of your friends and family when you decided to start your own business?
Everyone encouraged us and, more importantly, supported us whether with their expertise or emotionally.

Which factors would have facilitated the founding of your business?
More time for the development and some financing for young entrepreneurs. Our business lives on the contacts we had and made since then – it needed time to develop.

Where do you see yourself and your business ten years from now?
I see the three of us working as heads of a company with several employees which is active in other fields such as curating, publishing and consulting in both fields: art and architecture. We’d like to expand to new capital cities, too.

What does work mean to you?
I work with my best friends, meet and support amazing artists, architects and the likes – even our clients are as passionate as we are for the arts. I love my work and I am proud of what we have achieved so far.

V. REFERENCES


Please visit the website www.bpb.de/goafrica for accessing the full Common Paper and further references.