

Mr Wohoro Ndohho the CEO of SNDBX Capital, a growth accelerator, which aims to help businesses structure their operations in a manner that will enable them to access finances from the banking institutions.

Photo Credit: Murimi Gitari

Business accelerator SNDBX charts path to funding for smallholders

By Murimi Gitari

WHY do banks snub small and medium-sized enterprises (SMEs) when it comes to giving loans? The answer depends on who you ask.

But for Kenyan economist Wohoro Ndoho, who has worked for the state treasuries in Australia and Kenya and consulted for the World Bank, the financiers are put off by the weak business operation structure in most SMEs.

For this reason, Ndoho founded SNDBX Capital, a growth accelerator, with the aim of helping businesses structure their operations in a manner that will enable them to access finances from the banking institutions.

De-risking, he says, is all about setting up proper structures like leadership, processes and systems so as to have a business operate as it envisions.

Through an eight-week programme, SNDBX Capital walks businesses and the banks through a process that unlocks opportunities for banks to the needs of SMEs.

“Unlike other funding entities, we go beyond checklists for funding eligibility to building SMEs’ capacity to become fit for funding by putting them through a Path to Finance (P2F) derisking process where gaps and weaknesses are identified and fixed, skills imparted, structures and processes installed and made operational before funding is granted,” he says.

The eight-week programme is for business owners or senior management in businesses. Business owners are the greatest catalyst for change in their enterprises, says Wohoro.

“Most of business people are after making money and work in their businesses instead of working on their businesses. It is therefore important for these people to get the help of structuring their businesses in a way they can remove themselves from the business and operate on it. This is what we refer to as corporatising in the derisking journey of business.”

The SNDBX Capital CEO says financiers get the confidence and comfort of financing the business once they see a business person running the business smoothly like a machine.

“There is also the missing link in post lending support to SMEs and as an organisation we have partnered with other like-minded partners to support these SMEs,” Wohoro says.

Wohoro, a former Director-General for Public Debts at Kenya's National Treasury, says SNDBX is in the process of venturing into agriculture to make the sector a viable business even for commercial banks.

He notes that the de-risking model for agriculture will be rolled out with a good understanding of the end user who is a farmer or preferably a farm organisation. "In Kenya, for instance, we have a very large number of smallholder farmers who cannot be able to access financing due to the usual

reasons. Our plan is to aggregate these farmers in a way that leverages technology," Wohoro says.

SNBDX is developing a model for small-scale farmers known as the Viable Community Commercial Enterprise (VCCE). VCCE will be using the shareholding model.

A registration fee that will be deposited to a cooperative or a sacco [savings and credit cooperative society] and under the advice of an expert the funds can be aggregated to accumulate a critical sum that will be used as a working capital.

Once the money accumulates to a certain figure, the farmers will launch the company where every single of them is a shareholder. The farmers will be provided with a professional management team to help in the structuring of the business and for resource mobilisation.

Wohoro says that the envisaged company will be a commercial entity and its imperative will only be shareholder value.

"The farmers will be the shareholders and will be partnering with the SNDBX experts to move them from where they are," he says.



Mr Wohoro Ndohho at a past event. Photo Credit: Murimi Gitari