Building a Path to Scale

Developing a Growth Framework for High-Impact African Ventures

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Introduction

This insight report examines the critical knowledge and resource-related challenges faced by high-growth firms in Kenya, Ethiopia, and Rwanda. Leveraging contextual insights from ScaleUp Nation's Scale Diagnostics Report, the Argidius Foundation's SCALE Toolkit, and expert literature, it proposes a pathway toward a framework designed to support the growth of African ventures while enhancing the effectiveness of entrepreneur support organisations (ESOs), informed by advisory insights from ScaleUp Nation. Our findings are underpinned by a robust evidence-based and data-driven approach, offering actionable insights for stakeholders across the entrepreneurial ecosystem. By applying these findings, ESOs and other ecosystem enablers can adopt a more demand-driven, adaptable model to enhance their support for African ventures, thereby unlocking the growth potential of high-impact businesses across the continent.

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Evidence-Based & Data-Driven Approach

Scale Diagnostics Report: Key Insights & Gaps

The Scale Diagnostics report we published in November 2024 provides an in-depth analysis of high-growth firms in Kenya, Ethiopia, and Rwanda, identifying key factors and barriers that influence their scaling ability and potential. It was informed by ScaleUp Nation's unique scaling methodology. Based on research on thousands of ventures, and confirmed by working closely with many scale-up teams, ScaleUp Nation has identified what differentiates the businesses that scale from those that stall: The Scaling Success Factors. In short, the difference between a scale-up and a "stall-up" comes down to about 20 success factors. The Scaleup Scan is a diagnostic test of organisational health. It is a scale-readiness assessment tool for startups transitioning to scale-ups.

We examined the success factors for select African companies who did the scan and compared it with the broader ScaleUp Nation database and found the variances, as illustrated in Figure 1.

Figure 1 - Success factors for Africa scan companies and the broader ScaleUp Nation database of European firms
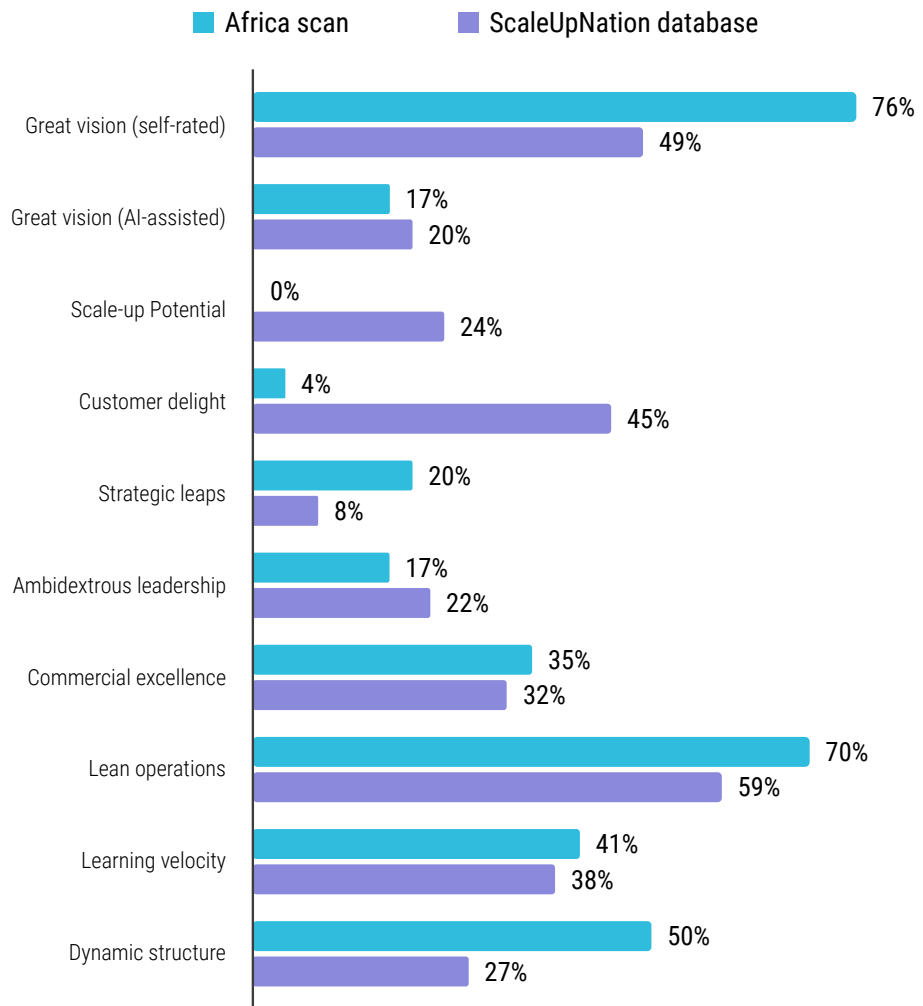
Source: ScaleUp Nation, Systemic Innovation and GrowthAfrica, 2024

This analysis offers a valuable topical foundation for thinking about how to structure a scaling framework and/or curriculum, ensuring a demand-driven (needs-based) assessment as a more targeted approach for both growth firms and ESOs.

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Our key findings were as follows:

1. Leadership & Talent Gaps

· **Ambidextrous leadership:** Many firms lack <u>ambidextrous leaders</u> who can effectively balance strategic innovation with operational efficiency. This skill is essential, as adaptable and skilled leadership is foundational to successful scaling.

· **Limited leadership experience:** Especially among first-time entrepreneurs, the lack of experience in scaling impacts, strategic decision-making and organisational growth. Without experienced and seasoned leaders, firms can struggle to navigate complex scaling challenges, including resource allocation, market expansion, and team development.

2. Challenges with Scalability & Business Models

· **Non-scalable models:** Many firms lack scalable business models and find it challenging to balance revenue growth with operational efficiency. This is particularly critical in smaller African markets, where scaling without regional or global expansion is difficult and comes with increased complexity and costs.

· **Resource-intensive operations:** Numerous ventures rely on operational models that are resource-intensive, often requiring significant investments in technology and process improvements to scale efficiently. The absence of streamlined processes and scalable frameworks limits firms' growth potential.

3. Access to Capital

· **Funding challenges:** Despite growing interest from international investors, many firms still struggle to access substantial, growth-oriented funding beyond the initial stages. This limited access prevents firms from making necessary strategic investments and achieving sustained growth.

· **Local financial infrastructure:** Significant local financing challenges exist. With less developed financial systems, firms in these countries find it difficult to secure financing needed to progress beyond the seed stage, further limiting scaling opportunities.

4. Customer-Centric Strategies & Market Pull

· **Shifting to customer-centric models:** Firms that create market pull through customer satisfaction and loyalty are more likely to achieve sustained demand. However, many African firms still operate from a product-centric approach and lack the resources or capability to fully transition to <u>customer-centric strategies</u>.

Implications

ScaleUp Scan data reveals that many responding East African ventures lack several critical success factors essential for scaling, including scalable business models, robust leadership, and streamlined operational processes. A mere fraction of ventures exhibit foundational factors like "Customer Delight" or "Ambidextrous Leadership," pointing to a larger challenge of underdeveloped internal capabilities that stymie effective scaling efforts.

A key predictor of growth is the ambition and capacity of leaders to drive strategic and innovative change. However, many African ventures leaders lack the ambidextrous ability to balance innovation with operational discipline. Leaders who can navigate both exploration and execution are essential, especially in high-growth, competitive industries. Without this dual capacity, ventures risk lagging behind.

These findings emphasise the importance of visionary leadership, scalable business models, and a solid operational base for ventures aiming to scale. However, gaps in entrepreneurial experience among leadership teams represent a significant hurdle, compounded by the unique <u>complexities</u> of African markets. Addressing these gaps with targeted knowledge and practical support could unlock the latent scale-up potential in these ventures, making these challenges not only manageable but resolvable.

[1] The standard OECD definition
is broad. It suggests scaling
businesses are enterprises with
average annualised growth
greater than 20 percent per
annum, over a three year period,
with at least 10 employees at
the start of the observation.

[2] DeSantola, A., & Gulati, R.
(2017). Scaling: Organising
and growth in entrepreneurial
ventures. The Academy
of Management Annals,
11(2), 640–668. https://doi.
org/10.5465/annals.2015.0125

[3] GALI. (2021, May). A rocket
or a runway? Examining
venture growth during and
after acceleration. https://www.
galidata.org/publications/a-
rocket-or-a-runway/ Also see
Global Accelerator Learning
Initiative (GALI). (2021). When,
how and who accelerators
accelerate: 10 years of findings
from the Global Accelerator
Learning Initiative. Argidius
Foundation. Retrieved from
https://www.argidius.com/
en/learning/when-how-and-
who-accelerators-accelerate.
Acceleration defined by their
fixed-term, cohort-based
support that is delivered
through training and mentorship
and which emphasises and
facilitates connections with
investors.

Contextual Factors for Developing a ScaleUpAfrica Blueprint

There are numerous ways in which to measure a scaling venture. Most are blunt. Growth can be measured by the number of (full-time) employees or by turnover per annum [1]. What is clear is that growth is highly inhomogeneous, as it is driven by different business models in different sectors: simply put, scaling businesses do not grow in the same way. Scaling is fundamentally about how an organisation adapts as it grows, evolves, and matures. Academics DeSantola and Gulati [2] define scaling as the process by which entrepreneurial ventures align internal structures with growth demands. This involves replicating their business model at scale and broadening the scope of their activities, requiring strategic focus on organisational design, talent management, and culture-building.

Over the past decade, a wide array of 'acceleration' programmes has emerged across African markets, many supported by donors who see these programmes as catalysts for venture scaling. However, the effectiveness of these accelerators remains a matter of debate. Past evidence starts to shed light on this question: in 2021, ANDE's Global Accelerator Learning Initiative (GALI) released a report [3] analysing venture growth before and after acceleration. This report, based on data from 2,600 ventures - 36% from sub-Saharan Africa - examined changes in revenue and financing among ventures that participated in 212 acceleration programmes, compared with those that did not. Though the data specific to Africa is not disaggregated from the global finding (and is now somewhat dated), several insights stand out:

· **Sustained growth beyond acceleration:** Accelerated ventures tend to show continued growth post-programme, often outperforming non-accelerated ventures in both revenue and financing, with these advantages increasing over time.

· **Steady, reliable growth:** Accelerated ventures generally experience more consistent growth than their non-accelerated counterparts. While acceleration year performance correlates positively with the subsequent year's results for all ventures, this link is notably stronger for those that participated in accelerators.

· **Uneven growth distribution:** Although most accelerated ventures experience moderate growth, significant gains are concentrated among the top 25% of high-performing ventures. The median venture sees modest progress, with a small minority capturing most of the acceleration benefits.

· **Top performers outshine peers:** Within the top 25% of growth-oriented ventures, accelerated ventures outperform non-accelerated ones, both in representation and in growth pace.

· **Access to resources at entry matters:** Ventures entering accelerators with more financial resources tend to benefit disproportionately, experiencing greater growth compared to those with fewer resources.

· **Uneven growth distribution:** Although most accelerated ventures experience moderate growth, significant gains are concentrated among the top 25% of high-performing ventures. The median venture sees modest progress, with a small minority capturing most of the acceleration benefits.

High-performing entrepreneurs frequently highlight specific aspects of acceleration as critical to their success, such as peer networking, strategic introductions, support with business model refinement, and the signalling benefits associated with accelerator participation. **However, critically, the available data does not establish a causal relationship between acceleration programs and scaling success in Africa.**

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The impact of accelerators also appears to be influenced by factors internal and external to the entrepreneur:

- **Internal factors:** These include the entrepreneur's background, encompassing prior knowledge, experience, and social capital.
- **External factors:** Programme design elements - such as regular feedback, structured cohort interactions, and high-quality mentorship and advisory support - play a crucial role in enabling growth.

While accelerators show positive outcomes for certain ventures, especially well-resourced, high-potential startups, the benefits of acceleration vary significantly, with success often dependent on both the individual and programme structure.

Programmes developed outside the continent highlight the importance of informal, problem-solving groups that extend beyond structured programming. The networks formed through shared participation, often with coaches, advisors, and mentors, become valuable resources, providing ongoing support as leaders navigate post-programme challenges. These enduring relationships are frequently cited as essential for sustained leadership development and peer learning.

In the African context, it is crucial to distinguish between acceleration programmes that genuinely support scaling and those that offer more generalised business advisory services. Scaling ventures require distinct approaches tailored to their unique needs, as leading high-growth firms differ markedly from early-stage or low-growth phases.

Scale-up support is an emerging, increasingly competitive market, with a growing demand for experts and specialised assistance. However, many acceleration programmes on the continent use "scaling" terminology while delivering standardised (post) incubation services rather than deeper, more customised support offered by proven experts, creating potential for false expectations among participants.

The Need to Measure Real Impact

Another significant challenge lies in the limited capacity (and related resource funding) for effective monitoring and evaluation (M&E) within acceleration programmes. While some of this gap stems from accelerators' resource constraints, the problem is more complex: evaluating nuanced aspects of venture progress is inherently difficult. Accurately identifying why a scale-up succeeds or stalls is challenging because each venture operates within a unique context, influenced by diverse variables. This complexity makes it tough to isolate the precise factors driving growth or stagnation.

This challenge is not limited to ecosystem support organisations; researchers face similar hurdles when attempting to draw meaningful conclusions from the limited available data. For instance, the influence of localised market conditions, regulatory environments, and shifting consumer demands can differ widely even within the same region, complicating efforts to track the long-term impact of accelerator interventions.

The African entrepreneurial ecosystem has substantial potential to advance programme evaluation practices. While various approaches exist for assessing and benchmarking acceleration programmes, few expert models are consistently applied in the African context, limiting their effectiveness. Raising evaluation standards and adopting rigorous, more proven models (absorbing local contextualisation) can build confidence in these interventions, ensuring they deliver meaningful, measurable impact. Tracking success post programmes is also key. Failing to do so risks eroding trust in these programmes, which threatens the sustainability of essential (donor) funding pathways.

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Moving forward, a more sophisticated M&E framework, one that captures the subtleties of venture growth and factors in the contextual realities of African markets, is essential. By improving the way programme outcomes are measured, ecosystem stakeholders can gain clearer insights into which elements of acceleration work best, where adjustments are needed, and how to design interventions that support sustainable scaling across diverse contexts.

Relying solely on a M&E framework is insufficient to address the complexities of venture growth in diverse African markets. What is truly needed is a robust insights and learning agenda that goes beyond measurement to foster a deeper understanding of how and why outcomes are achieved. By prioritising actionable insights and continuous learning, stakeholders can identify systemic patterns, adapt interventions in real time, and design strategies that drive sustainable scaling. This approach not only complements traditional M&E but also ensures that programs are rooted in the realities of the ecosystems they aim to support.

[4] Leading to Scale. The Design, Delivery and Impact of SME Leadership Development Programmes. Dr. Raby, S.

Global Perspectives on Leadership Development for Growth Ventures

Evidence on the impact of leadership development programmes for growth-focused SMEs remains limited. Robust evidence on the specific impact of these programmes and the precise value they bring to leaders of high-growth SMEs is still lacking. To better inform programme design and delivery, we need to understand which elements are most beneficial to venture leaders and how specific features link to programme outcomes.

A recent interview-based study - Leading to Scale [4] - examined leadership development programmes associated with prestigious institutions, including Quantum Shift at IVEY (Canada), Oxford University's 10,000 Small Businesses Program (England), Dublin City University's Go Global for Growth (Ireland), and ScaleUp Scotland. Key findings from this study are outlined here, which include:

- **Leader motivation & expectations:** Participants were motivated by a desire to improve their leadership skills, structure their organisations effectively for growth, make strategic decisions, and enhance communication with employees, boards, and customers. These leaders recognised the need for new skill sets to support their companies' evolving demands.

- **Programme selection & cohort diversity:** Rigorous selection processes were highly valued by participants, who viewed acceptance into "high-quality" and "elite" programmes as an honour that validated their leadership potential. For maximum impact, promotion, recruitment, and selection processes should aim for diversity in industries, backgrounds, and geographies, while allowing flexibility for programmes focused on specific sectors. Selection should prioritise ambitious, entrepreneurial leaders with growth-oriented mindsets.

- **Programme selection & participation:**
  - Inclusive Recruitment and Financial Access: Recruitment should promote diversity in industry, geography, and participant backgrounds. Fee structures should avoid creating financial barriers for growing companies; a variety of funding options may help offset costs.
  - Aligned Selection: Programmes should target leaders with growth aspirations and a commitment to personal development. Understanding leaders' learning styles and business needs can help align them with appropriate programmes.

- **Programme design:** Effective programmes follow a structured progression that covers core leadership skills, incorporates 360-degree assessments, and addresses team and organisational dynamics. Cohort-building activities, formal instruction, and peer learning opportunities enable participants to engage in creative problem-solving and peer exchange in both structured and informal settings. Blended in-person and virtual learning can work well, though in-person engagements often provide critical impact.

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- **Tailored knowledge mobilisation:** Content should address areas where participants have reported knowledge mobilisation needs, such as leadership development, organisational culture, and scalable systems.
- **Diverse learning environments:** Programmes should integrate in-person interactions thoughtfully within blended models, supporting participant connection and reinforcing program content.
- **Participant-centred design:** Programmes could survey participants on key business challenges before starting or organise cohorts around specific topics or industries to ensure relevance.

Applying A Local Contextual Lens

Recognising the unique leadership challenges of African SMEs, such as resource constraints and the uniquely complex demands of venture scaling, a contextualised and tailored approach to leadership development programming is essential.

Yet research on the role, design and delivery of SME leadership programmes for scaling firms in Africa still remains limited. The Argidius Foundation's SCALE framework and toolkit is arguably one of the most valuable contributions to the field, though it has its limitations. While it effectively addresses fundamental aspects of programme design for ESOs, it does not specifically cater to the accelerated scaling needs of high-growth ventures per se. Excellent resources, such as 'Scaling Through Chaos' [5] illustrate the need to focus on teams and organisational factors - finding, hiring, retaining and leading the right people to turn a business into an outlier success. International research points to programmes that foster adaptability, and strategic foresight - moving beyond traditional skills-building - appearing much better suited to high-growth SMEs.

To fully capture the impact of all such programmes we need much more rigorous, multi-level evaluations that encompass both tangible and intangible outcomes. Emerging research increasingly supports holistic, flexible, and context-sensitive approaches to leadership development, which could more effectively address the unique needs of SMEs across the continent [6].

African academics have a critical role to play here - not just as observers, but as active investigators who examine what works, when, and how, to strengthen evaluation practices and enhance programme efficacy. International donors, who are the primary financial funders for these interventions, need to focus on supporting context-specific research and fostering capacity-building initiatives that empower local evaluators and stakeholders [7]. This approach ensures that interventions are not only evidence-based but also aligned with the unique dynamics of African markets, thereby increasing their relevance and impact.

[5] Jacquesson, D. (2024). Scaling Through Chaos. Index Ventures. This work includes original case studies, fresh frameworks, and insights into the growth of pioneering VC-backed startups, based on an extensive analysis of 200,000 career profiles across 210 companies. Available at: https://www.indexventures.com/scaling-through-chaos/

[6] Forthcoming. Raby, S., & Hart, M. (2024). Building leadership for scale: The role and design of SME leadership programs. In A Research Agenda for Startups' Scale-up, Scale-down and Re-scaling Strategies.

[7] Argidius Foundation. (2023). Sustain impact: Donor practices to grow enterprise support organisations. This report, created for donors, illustrates that changes in ESO funding practices can significantly impact the scale and sustainability of services that enhance SME growth, job creation, and their potential for transformative social and economic impact. See https://www.argidius.com/en/learning/donor-practices-to-grow-enterprise-support-organizations

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The SCALE Toolkit

The SCALE framework and accompanying toolkit, developed by the Argidius Foundation, is a specialised resource aimed at strengthening Entrepreneur Support Organisations (ESOs). Well regarded, and widely deployed in Africa (as well as Latin America) it provides a structured approach enabling ESOs to refine their programme design, selection criteria, and support mechanisms, thereby optimising their ability to identify, nurture, and guide high-potential firms. The framework focuses on five key pillars:

- **Selection of high-potential firms:** Emphasises rigorous selection processes to identify firms with strong growth potential. ESOs are encouraged to use targeted criteria to assess growth stage, scalability, and market impact, ensuring that resources are directed to firms best positioned for success.

- **Charging for services:** Introduces models where firms contribute financially to the support services they receive. This approach not only reinforces the value of the programme but also fosters a relationship based on mutual investment, strengthening engagement and accountability.

- **Addressing enterprise needs through problem solving:** Encouraging a problem-solving orientation, with ESOs tailoring their support to the specific, real-time needs of each firm. This approach involves peer-to-peer learning, reverse curricula, and adaptive solutions that prioritise practical problem-solving over rigid programme structures.

- **Learning and evaluation of impact:** Promotes continuous monitoring, evaluation, and learning, allowing ESOs to assess their impact and adapt programmes based on measurable outcomes. Embedded metrics and regular assessments enable ESOs to track progress, refine their methods, and make data-driven improvements.

- **Leading by example:** Emphasises the importance of ESO capacity-building, with a focus on developing well-organised, capable teams that model best practices for the firms they support. ESOs are encouraged to create clear strategies, cultivate functional governance, and foster a learning-oriented culture within their own organisations.

According to the Argidius Foundation evaluations by themselves, GALI, USAID PACE, the World Bank, and others reveal substantial variability in the impact of business development programmes on enterprise outcomes. Even when programmes are delivered by the same Business Development provider, using similar approaches and curricula, outcomes can vary widely across enterprises [8].

This variability highlights the importance of adaptive, context-sensitive programme design and the value of tailored solutions that respond directly to the diverse needs of scaling firms. It also highlights the critical role of expert specialist providers - scaling demands complex knowledge delivery and nuanced support, which requires expertise that not all providers can offer.

The SCALE Toolkit effectively aligns ESO practices with the specific needs of African early-stage growth firms, focusing on strengthening support systems, refining program structures, and enhancing service delivery. While it offers ESOs valuable tools to improve the selection, guidance, and nurturing of early-stage firms, it lacks dedicated scaling knowledge resources and tools that can be adapted and deployed directly to support high-growth ventures more effectively.

Recognising the limitations of rigid programme structures, significant knowledge gaps remain, particularly regarding scaling intelligence and targeted resources. This gap underscores the need for a complementary, venture-focused solution - one that is demand-driven and designed to deliver specialised content directly to high-growth firms. Such an approach would empower firms with the insights and skills essential for navigating complex scaling challenges.

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The Building Blocks For New Service Provision

Service providers have a significant role to play in enhancing scaling support for scaling high-growth ventures across Africa. Yet many acceleration programmes apply 'scaling' terminologies but too often the process involves standardised (post) incubation offerings, rather than the deep-dive customised support being provided by proven experts. These misleading scaling labels can easily create false expectations. By adopting more innovative and targeted strategies, service providers can address specific challenges that firms face as they scale, moving beyond traditional (and generic) support methods to deliver impactful, results-oriented services.

Building on earlier insights into the critical importance of teams and organisational factors - including recruiting, retaining, and effectively leading the right talent, as well as establishing robust systems, structures, communication channels, and processes - the following proposals identify key areas where service providers can enhance their approach to better support the scaling journey of African ventures:

1. Scaling Diagnostics, Audits, Frameworks, & Roadmaps

A robust foundation is crucial for business survival and growth. Effective performance diagnostics can help firms assess their readiness to transition from startup to scale-up.

· **Deep diagnostics:** Many incubators and accelerators lack thorough assessment mechanisms. The application process should include rigorous data collection to show ventures where they stand on the scale-up curve and what's required to advance. In our recent experience, backed by verifiable feedback, the Scaleup Scan has proven highly valuable for ventures, providing them with a comprehensive 60-page learning assessment to support and guide their decision-making.

· **Custom diagnostic tools:** Implement robust diagnostic tools that offer comprehensive internal and external analyses, alongside internationally recognised frameworks adapted to African contexts. Elements should include:

- Stand-alone evaluations of unique scaling challenges and opportunities, underpinned by diagnostics and actionable roadmaps
- Bespoke audits assessing product viability, pricing, technology, customer acquisition, and growth opportunities in distribution, investment, and partnerships
- Dedicated support through functional sprints, strategic reviews, and skill-building sessions to maintain alignment with the scale roadmap.
- Founders' diagnostic evaluations.

· **Pre-Scale sprints and long-term programmes:** Combine rapid assessments of product, technology, and financials with longer-term flight programmes that map out a clear scale vision, execution plans, and coaching for the journey.

2. Enhancements to Scale-Up Programmes

Scale-up service programmes must incorporate essential elements that are adaptable and responsive to the evolving needs of high-growth ventures.

· **Modular and practical:** Provide a comprehensive programme that enables ventures to access the specific support they need at any point in their journey.

· **On-demand expertise:** Maintain a pool of experts across critical functions like product development, talent, strategy, sales, marketing, and IP, ready to provide hands-on support.

· **Access to finance:** Ensure programmes include investment-readiness training and access to capital resources, recognising that capital may not always be the immediate need but is a critical future resource.

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· **Trusted service providers:** Facilitate connections with reputable service providers, as the wrong support can do more harm than good.

· **Continuous & targeted support:** Move beyond bootcamps to longer-term, continuous engagement with ventures. Focus on coaching management teams in leadership dynamics, innovation, and organisational development to strengthen management and governance.

3. Management, Recruitment, and Governance Services

Ongoing advisory support is essential to ensure capital is effectively utilised for sustainable returns.

· **Talent acquisition:** Support firms in recruiting key talent to drive growth and increase revenues.

· **Governance & systems:** Implement strong governance structures to maximise growth potential while maintaining sustainable and responsible operations.

· **Operational digitisation:** Enable real-time data collection and insights through digitised operational systems.

· **Comprehensive skills development:** Offer skills training not only for leadership but also across the organisation, ensuring a steady pipeline of future talent.

4. Commercial Product, Service, and Innovation Culture Implementation

Disruption today is more than just changes in technology, or channel, or competitors - it's all of them, all at once.

· **Innovation strategy:** Focus on how resources are invested in innovation, not just how much. Emphasise linking product development to specific sales, marketing, and financial goals.

· **Transformational ambition:** Encourage transformational innovation, as it often provides the highest ROI, compared to incremental or adjacent innovation.

· **Execution & follow-through:** Ensure innovation initiatives follow through with operational roadmapping, pressure-testing, and continuous improvement.

· **Innovation frameworks:** Provide a stage-and-gate framework to evaluate and refine new concepts, ensuring they are commercially viable and aligned with market needs.

· **Product & market adaptation:** Equip firms with tools for enhancing go-to-market capabilities, customer acquisition, and distribution.

· **Continuous innovation culture:** Establish cross-functional innovation programmes and build a culture of ongoing, iterative innovation.

5. Systems Innovation Leadership for Transformative Change

Scaling ventures in Africa can play a role in system-level innovation, creating value through partnership and alignment with systemic transformation goals.

· **Data-driven insights:** Utilise data intelligence for exploration, synthesis, and actionable insights.

· **Strategic systems design:** Develop capabilities for critical path analysis, risk assessment, and mitigation.

· **Systemic innovation pathways:** Enable ventures to participate in larger systems change through partnerships, sandbox experimentation, and rapid prototyping.

· **Innovation frameworks:** Provide a stage-and-gate framework to evaluate and refine new concepts, ensuring they are commercially viable and aligned with market needs.

· **Systems thinking:** Young, innovative companies can benefit by adopting systems approaches, driving change in business practices, and influencing broader ecosystems.

· **Trailblazing tactics:** Support ventures in developing connectivity, credibility, and partnerships within the ecosystem to increase systemic impact, creating platforms for storytelling, building patient capital, and engaging with policymakers.

Figure 2 - Successful trailblazers scaling tactics
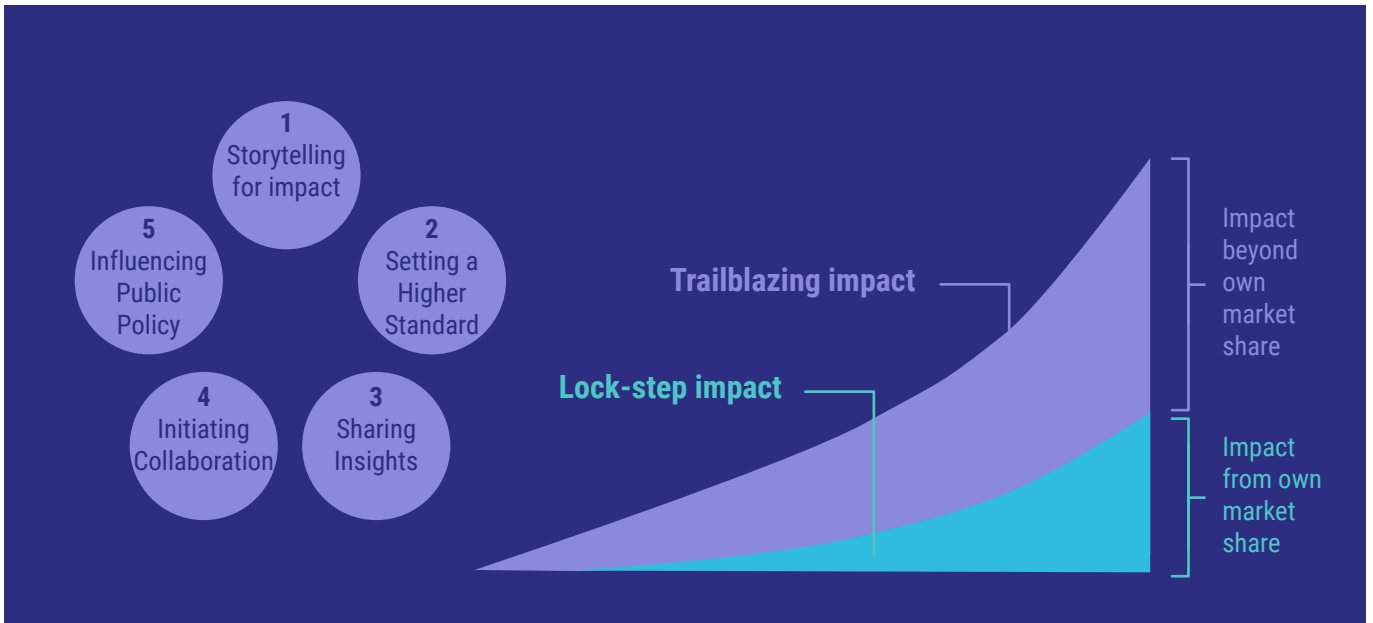
6. Developing Scale-Up Alumni Models & Strong Peer Networks

Long-term engagement models can help build sustained support for alumni ventures beyond initial acceleration or incubation.

· **Community of practice:** Go beyond database management to actively engage with alumni ventures, providing tools and knowledge for ongoing support

· **Relationship nurturing:** Maintain close connections with alumni to support continued growth and investment opportunities.

· **Peer-to-Peer support:** Facilitate mentoring, coaching, and peer engagement beyond the duration of traditional programmes, creating a culture of ongoing support and shared learning among scaling ventures.

By implementing some of these proposals, scaling service providers can significantly enhance their support for high-growth firms, addressing the specific challenges and needs that African ventures face on their path to scale.

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A Development Pathway Approach

Developing an effective methodology to design a dynamic, impactful scaling framework and/ or curriculum requires a framework that addresses the unique and diverse needs of individual innovation ecosystems.

The approach proposed below acknowledges the prioritisation of solutions that are feasible, desirable, repeatable, and effective. The following multi-phase approach outlines a structured pathway to create an adaptable, high-impact scaling model tailored to these requirements.

Diagnose: Enquiry into (and analysis of) the existing environmental circumstances and background conditions; relevant activity within the ecosystem, and emergent practices

- **Situational analysis:** Establish a comprehensive understanding of each country's innovation ecosystem. This phase includes assessing ecosystem health, policy goals, funding flows, and identifying key players and sector trends. Independent evaluations ensure objective insights.

- **Thought leadership & methodology audit:** Identify leading models and strategies in scaling through a global review, with insights gathered across academia, public, and private sectors. Emerging trends are catalogued into a practical playbook.

- **State of the Nation:** Establish connections with innovation ecosystem experts and contributors, building a potential pool of collaborators and peer reviewers for programme enrichment.

- **Pedagogy review:** Evaluate educational methods to ensure a learner-centred, practical curriculum. This includes incorporating best practices in adult learning and peer engagement, creating an impactful, accessible programme for scaling success.

Discover: Primary research and consequent strategic framework development based on robust empirical evidence

- **Objective programme assessment:** A review of current scaling efforts by existing "scaling" programmes, involving "pressure tests" on outcomes versus initial goals, and examining long-term impacts. Stakeholder interviews provide additional insights into delivery effectiveness.

- **360° participant review:** Gather comprehensive feedback from programme participants and stakeholders to refine programme content, ensuring it resonates with direct and indirect beneficiaries.

- **Gap analysis:** Conduct a demand-led needs assessment to identify gaps between current offerings and desired outcomes, aligning the curriculum to meet local and global scaling needs.
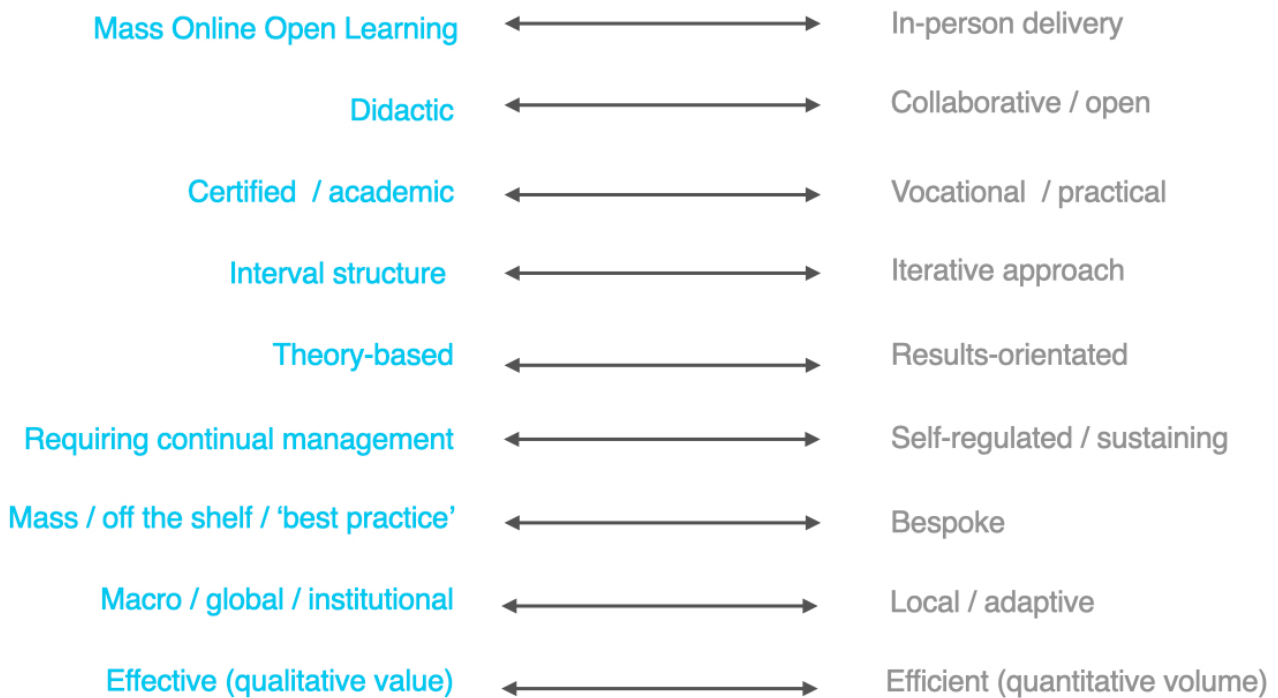
Define: Development, testing and refinement of customised programme design for each participating country

- **Co-created design exploratory:** To determine the optimum programme solution for each country. A suite of needs-based programme elements (from a united set of 'global' parameters).

- **Programme finalisation & validation:** Specific country propositions developed to 'late beta' optimised stage for end-user pressure-testing, peer-review from innovation ecosystem experts, augmented with appropriate technology solution components. Aligned measurement and evaluation (M&E) framework developed and agreed.

- **Programme blueprint definitions:** Operational programmes codified and extrapolated with full operational detail (the what, when, how, who, how much defined), providing turn-key operational/resource plans for each participating country.

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Enhance tailored programme solutions for each territory by conducting stakeholder workshops and iterative testing, with a focus on feasibility, desirability, scalability, and adaptability. The proposed framework integrates local customisation with global wise practices, ensuring that design activities are relevant, sustainable, and impactful. This structured approach provides a clear pathway to venture scaling, maximising both local relevance and long-term effectiveness.

During co-creation, solutions need to be assessed by representative cohorts of programme participants to gauge relevance, appeal and effectiveness. The aim being to map precisely the professional learning programme components to ensure fit-for-purpose and fit to overall mission, especially focusing on sustainability and lasting impacts through practical application and organisational cascade of skills, tools and other programme components. We believe the following framework to be appropriate and relevant.

Figure 3 - Knowledge Delivery Exploration Considerations

Mass Online Open Learning	⟷ In-person delivery
Didactic	⟷ Collaborative / open
Certified / academic	⟷ Vocational / practical
Interval structure	⟷ Iterative approach
Theory-based	⟷ Results-orientated
Requiring continual management	⟷ Self-regulated / sustaining
Mass / off the shelf / 'best practice'	⟷ Bespoke
Macro / global / institutional	⟷ Local / adaptive
Effective (qualitative value)	⟷ Efficient (quantitative volume)

Source: Systemic Innovation (2023)

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A Scaleup Venture Framework Early Blueprint

In response to the findings from the Scale Diagnostics report, we have embarked on developing more immediate structured approaches to enhance scaling learning for high-growth firms in Africa. Drawing on over a decade of experience running successful scaling cohorts, the ScaleUp Nation team provides valuable insights into a potential pathway for an open curriculum development process tailored to the unique challenges of these firms. Recognising that the strategies driving initial growth differ significantly from those required at scale, we can begin to propose a modular and phased approach.

Below, we outline - at a very high-level - some of the key building blocks that form the foundation of this curriculum, designed to address the specific needs of high-growth firms across African markets.

1. Understanding Scaling Potential

· **Approach:**

Define distinctions between startup and scale-up phases, highlighting necessary mindset and operational shifts for growth.

· **Engagement Techniques:**

- Interactive cohort discussions on scaling obstacles.
- Peer-led exploration of individual challenges guided by facilitators.

· **Resources:**

- **ScaleUpScan:** Benchmarking tool to assess scaling readiness and success metrics.
- Exercises like to visualise growth trajectory and set actionable goals.
- **Scaling Case Studies:** Development of African firms' growth journeys to illustrate key transitions.

2. Envisioning a Great Business

· **Approach:**

Emphasise the strategic importance of vision and mission for scaling, supported by examples from successful African founders.

· **Engagement Techniques:**

- **Reflection Sessions:** "Visioning Exercises" to articulate long-term goals, with peer feedback.

· **Resources:**

- **Visioning worksheets:** Structured templates for aspirations, impact goals, and mission clarity.
- **Feedback frameworks:** Peer guidelines for constructive critique.
- **Founders' casebook:** Stories from African founders who refined their mission as they scaled.

3. Developing a Competitive Edge

· **Approach:**

Explore competitive advantages through cost efficiency, standardisation, and differentiation, supported by real-world examples.

· **Engagement Techniques:**

- **Competitive edge mapping workshop:** Define and refine value propositions.
- **Metrics development sessions:** Establish and track KPIs for efficiency and growth.

· **Resources:**

- **Digital proxies:** Tools to evaluate operations and set improvement goals.
- **Value proposition toolkit:** Frameworks to strengthen unique market positioning

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4. Delighting Customers & Driving Market Pull

· **Approach:**

Shift focus from product-centric to customer-centric models, emphasising loyalty and customer journey mapping.

· **Engagement Techniques:**

   - **Customer mapping workshop:** Identify and improve customer touchpoints.
   - **Role-playing scenarios:** Empathy and strategic responses to customer needs.

· **Resources:**

   - **Customer feedback:** Tools for gathering and analysing insights.
   - **Structured feedback Loops:** Methods to apply customer feedback for product/ service improvements.
   - **Customer Journey:** Mapping customer experience and satisfaction.

5. Developing a Competitive Edge

· **Approach:**

Develop leadership adaptability, team cohesion, and a balance between operational demands and strategic foresight.

· **Engagement Techniques:**

   - **Leadership assessments:** Identify strengths and growth areas, with peer and mentor feedback.
   - **Peer coaching groups:** Small-group discussions on leadership challenges and solutions.

· **Resources:**

   - **Leadership tools:** for regular reflection on adaptability and progress.
   - **Board governance guide:** Toolkit for building and utilising effective boards.
   - **Ambidextrous leadership framework:** Guides on balancing day-to-day management with long-term planning.

6. Making Strategic Leaps & Accessing Finance

· **Approach:**

Focus on strategic planning for impactful decisions, including expansion and funding strategies used by African firms.

· **Engagement Techniques:**

   - **Strategy sessions:** i..e Three Horizons model to set phased growth goals.

· **Resources:**

   - **Strategic planning templates:** Tools to prioritise resources and actions through growth phases.
   - **Investor evaluation checklist:** Criteria for selecting aligned investors and strategic partners.
   - **Financial planning:** Exercises to map out sustainable financial strategies for scaling.

This list of techniques and resources is not exhaustive but rather serves as a foundation for further development, refinement, and cohort testing. The areas highlighted above represent crucial steps toward enhancing service delivery in this space. Additionally, it is essential to recognise that effective venture learning and (individual and team) professional development require dedicated advisory support, including partnerships, network connections, and access to expert mentorship from seasoned leaders in management and scaling. This level of support, similar to that provided by organisations like Endeavor for select high-growth ventures, is critical for ventures to access networks, refine strategies, and build the leadership capabilities essential for sustained growth.

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Next Steps for Advancing Scaling Support in Africa

This report underscores the importance of a structured, data-driven approach to supporting high-growth ventures across Africa. By prioritising the outlined recommendations for ESOs, policymakers, and ventures, stakeholders can build a robust ecosystem poised to drive impactful, sustainable growth. A customised (and fully contextualised) digital ecosystem platform, such as ScaleUp Global, with AI features, can further strengthen foundations, enhancing connectivity, resource allocation, and knowledge support for growth ventures.

Our proposals are as follows:

For ESOs (and related Service Providers)

· **Adopt the SCALE toolkit & tailor programme design:** Utilise the SCALE framework to enhance programme design, selection processes, and practical support mechanisms. Focus on continuous learning, impact measurement, and data-driven adaptations to ensure programmes address critical needs in leadership, funding readiness, and customer engagement.

· **Develop comprehensive diagnostics & growth roadmaps:** Implement deeper scaling diagnostics to assess ventures' scaling potential and specific challenges. Equip ventures with clear growth roadmaps, tailored action steps, and dedicated support to help them achieve sustainable scaling milestones.

· **Facilitate access to capital & expert networks:** Strengthen links to funding platforms and create networks of industry experts across product development, marketing, governance, and operational efficiency. This will help ventures access the capital and expertise they need at crucial stages in their scaling journey.

· **Embed a culture of innovation & continuous support:** Move beyond short-term interventions by creating modular, stage-based support frameworks that ventures can draw on throughout their growth. Offer coaching in leadership dynamics, innovation, and organisational development to ensure ventures are well-equipped to navigate scaling complexities.

For Ventures

· **Commit to continuous learning & skill development:** Engage actively with available diagnostic tools and support resources to assess and strengthen internal capabilities. Prioritise leadership development, customer engagement, and operational efficiency as foundational skills for scaling.

· **Leverage networks & seek strategic partnerships:** Pursue strategic partnerships within the ecosystem and actively seek mentorship from experienced entrepreneurs and industry experts. Collaborate with other ventures to share insights, address challenges, and accelerate growth through collective learning.

· **Adopt a customer-centric & innovation-driven approach:** Focus on understanding and adapting to customer needs to drive sustained demand. Build a culture of continuous innovation, experimenting with new products, services, and business models that are responsive to market shifts.

· **Prepare for investment readiness & long-term growth:** Develop a clear, compelling growth roadmap and align with investors who share your long-term vision. Focus on establishing robust governance structures and operational systems to ensure sustainable scaling and position the venture for future expansion.

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For Policymakers

· **Strengthen financial & regulatory ecosystems:** Address funding gaps and simplify regulatory frameworks to improve ventures' access to capital and cross-border expansion. Partner with financial institutions and investors to create growth-oriented funding solutions for both early-stage and scaling firms.

· **Support data infrastructure & ecosystem mapping:** Enable data-sharing initiatives and strengthen innovation ecosystems by developing local data infrastructure. Improved data will facilitate ecosystem mapping, programme assessment, and scalable knowledge-sharing across the region.

· **Encourage systems-Level innovation:** Support collaboration between high-growth ventures and public institutions to drive systems-level change. Incentivise ventures involved in systemic innovation that aligns with national development goals, fostering transformative impacts across sectors.

For Academics

· **Conduct in-depth, context-specific research:** Investigate the unique leadership and scaling needs of African SMEs, focusing on how informal networks, mentorship, and culturally relevant support impact growth. This will provide a richer understanding of which leadership development approaches are most effective in diverse African contexts.

· **Advance evaluation methodologies:** Develop and apply multi-level, mixed-method evaluation frameworks that capture both tangible and intangible outcomes, such as resilience and relational capital. Rigorous evaluations can help refine programme designs, ensuring they are impactful and contextually relevant.

· **Collaborate with practitioners for real-world insights:** Partner with SME support organisations, accelerators, and policymakers to align academic research with practical needs. Such collaboration can support the design of evidence-based leadership programmes tailored to the distinct challenges African SMEs face.

New Digital Infrastructure

· **Deploy ScaleUp Global's digital platform:** The ScaleUp Global platform can serve as a digital backbone to map, track, and connect startups with mentors, investors, and other critical ecosystem stakeholders in real-time. This could enhance the scaling ecosystem by enabling optimised networks, smarter resource allocation, and personalised support for growth ventures. By generating essential data insights, it will inform decision-making, enable programme refinement, and improve the responsiveness of support, aligning closely with startups' evolving, demand-led needs.

· **Data-driven & adaptive support:** The platform's data-driven approach will include continuous feedback loops, enabling ESOs to adapt their methodologies in real-time. This ensures the support provided is always tailored, flexible, and impactful. With this adaptive support model, startups receive the right resources at the right time, far exceeding the efficiency and relevance of traditional incubation and acceleration models.

· **Optimising resource allocation for growth:** Leveraging the platform's insights enables the ecosystem to assess and refine resource allocation, enhancing the efficiency and responsiveness of support mechanisms. This data-driven approach fosters demand-led interventions that more precisely support startups, driving scalable and impactful initiatives across networks and contributing to a more dynamic ecosystem.

Learn more about the RISA Fund and read more of our insights
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