

Research Application Summary

Enhancing the student enterprise training (SES) at Gulu University

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Abstract

The proposed agribusiness incubation hub (AIH) at Gulu University is intended to provide hands-on practice agri-entrepreneurship training to graduate and undergraduate students. The management of the AIH follows the Students Enterprise Scheme (SES) approach at Gulu University. Through the AIH, up to 50 students, in groups of at least five will be mentored to develop and implement viable agribusiness enterprises. Students will develop business plans which will be evaluated, and approved based on their innovativeness and feasibility. Embedded in the business plan development and evaluation is the mentorship to students on business development and management. This mentorship will be provided by technical experts in the different field as well as community agribusiness promoters, private agribusiness entrepreneurs and financial institutions. Approved business plans will be financed and implemented for a period of up to one year. At the end of the implementation period, successful and unsuccessful business cases will be shared with the community, the private sector and the university students' community. Documentation of the process will be done to facilitate learning and dissemination of this approach to students training. The intention is to use students training to develop business models, which in the long-run would be rolled out to the community for implementation.

Key words: Agribusiness, entrepreneurship, incubation, Gulu, students' enterprise scheme

Résumé

Le centre d'incubation d'agrobusiness proposé (CIAP) à l'Université de Gulu est destiné à fournir une formation pratique en agro-entrepreneuriat aux étudiants diplômés et de premier cycle. La gestion du CIAP suit l'approche Students Enterprise Scheme (SES) à l'Université de Gulu. Grâce au CIAP, jusqu'à 50 étudiants, en groupes d'au moins cinq, seront encadrés pour développer et mettre en œuvre des entreprises agro-industrielles viables. Les étudiants développeront des plans d'affaires qui seront évalués et approuvés en fonction de leur

caractère innovant et de leur faisabilité. Le mentorat des étudiants sur le développement et la gestion des entreprises est intégré au développement et à l'évaluation du plan d'affaires. Ce mentorat sera assuré par des experts techniques dans les différents domaines ainsi que par des promoteurs communautaires de l'agro-industrie, des entrepreneurs privés de l'agro-industrie et des institutions financières. Les plans d'affaires approuvés seront financés et mis en œuvre pour une période pouvant aller jusqu'à un an. A la fin de la période de mise en œuvre, les analyses de rentabilisation réussies et infructueuses seront partagées avec la communauté, le secteur privé et la communauté des étudiants universitaires. La documentation du processus sera faite pour faciliter l'apprentissage et la diffusion de cette approche à la formation des étudiants. L'intention est d'utiliser la formation des étudiants pour développer des modèles commerciaux qui, à long terme, seraient déployés dans la communauté pour mise en œuvre.

Mots-clés: agro-industrie, entrepreneuriat, incubation, Gulu, programme d'entreprise pour les étudiants

Introduction

Paradigm shifts in higher education have necessitated embracing and mainstreaming entrepreneurship education in training curricula. This is because entrepreneurial capacity building amongst the youth is considered the best approach for addressing unemployment, rural poverty and creation of responsible citizens (Sherrard and Alvarado, 2017). Entrepreneurship education training has been reported to increase the chances for youth to start-up new business enterprises, gain confidence and as such enhance their employability (Honig, 2004). However, one of the predominant criticisms of the nature of entrepreneurship education in African universities is due to the fact that it has been largely theoretical, hardly providing the much needed hands-on practice and experience to the learners (Kalule *et al.*, 2017).

Consequently, there have been calls for entrepreneurship training models that inculcate practical orientations (Odongo *et al.*, 2017). In light of this concern, the Faculty of Agriculture and Environment (FAE), Gulu University in Northern Uganda developed the Student Enterprise Scheme (SES) as an innovative approach to training future agricultural professionals (Kalule *et al.*, 2017). This is an innovative, practical approach to agri-entrepreneurship training in which students develop, analyse, justify, and implement innovative agribusiness ideas. Experience gained from this process is then shared with fellow students and the wider community. The SES is designed in such a way that students are mentored to develop well-thought out and researched business plans. Innovative and economically feasible business plans are provided with a start-up capital on a revolving fund basis. The beneficiaries are then expected to implement their business plans for a period of up to one year. After which, they are expected to pay back the start-up capital with a modest interest (about 10%) for purpose of continuity. Students businesses are evaluated based on their performance and experiences of success and/or failures with the wider university students and farming community.

The central focus of SES model is for the students to connect the theoretical knowledge in agriculture, entrepreneurship and agribusiness with practical realities of opportunity identification, conceptualizing, initiating, managing and sustaining small and medium enterprises. The design and institutionalization of SES at GU is premised on the assumption

that future professionals must learn to cope with the growing competition in the job market by thinking innovatively, and exhibiting creativity and dynamism in the ever-changing economic environment (Kalule *et al.*, 2017). The SES inherently presents a good opportunity for innovation if business/social enterprises models generated from student projects become part of the wider community and refined further in a market environment. However, the inculcation of these traits in an individual demands a lot of time on the part of instructors and the students themselves. To entrench and improve on the operation of the SES, this agribusiness incubation hub is intended to further strengthen the process through engaging private sector and community stakeholders in the process, as well as ensuring the continuity of the process.

Project focus and implementation. The implementation of the agribusiness incubation hub (AIH) will follow the framework for the SES implementation at Gulu University (Figure 1). The starting point is the business orientation training, during which students are mentored on business start-up skills, management and risk factors associated with business undertaking. This will be followed by a value chain cluster mapping to identify agribusiness opportunities that exists within specific agribusiness chains. The aim of the cluster mapping is to help students identify business ideas/opportunities as well as acquire skills in enterprise value chain mapping.

Conceptual Framework for implementation of business incubation hub

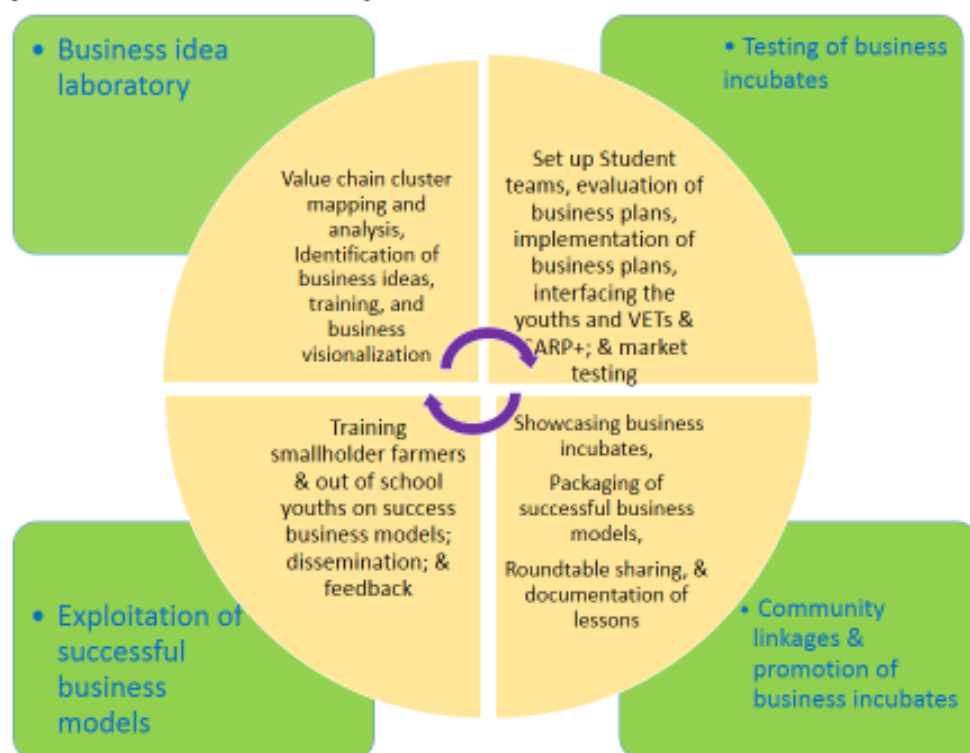


Figure 1. The students' enterprise scheme at Gulu University

Results of the value chain cluster mapping are then used by students to develop business plans based on identified business opportunities. For this, students are put in groups of five, with each composed of 3 Bachelors and 2 Master's students. Group composition will ensure that the diversity in the students' community such as gender, tribe, and nationality is reflected.

The development of the business plans is done through guidance and mentorships from academic experts in the specific enterprises that the business plans are focused on. The developed business plans will then be evaluation and fine-tuned. During this stage, students present their business plans to a panel composed of experts from the academia, private sector and the community. This panel of expert will critique the business plans to ensure they meet the technical, financial as well as ethical standards for implementation. This process results into acceptance and/or rejection of the business plans. Rejected business plans are further reworked based on suggestions from the panel and vetted again to ensure viability. Approved business plans then go through the formal process of business establishments, such as registration, branding, amongst others. During this stage, the group members are expected to divide the business operational roles such management, operations, and accounting amongst the team members.

Once the formal set up of the business is completed, the business is funded based on the approved costs, structure and organisation. The students are then expected to implement the business plan for a period of up to one year. Implementation of the experimental businesses will involve students producing and selling real products and services to consumers as well as assessing and understanding the market environment in which they will be operating. Standard business operations practices such as record keeping, partnerships, payments of taxes, rents are expected to be adhered to during business implementation. During the implementation phase, the businesses will be evaluated at two points, i.e., mid-term and at the end. These evaluations will consider issues such as management, record keeping, financial management, team work and cohesion, and profitability. The purpose of the evaluations is to identify potential pitfalls early and allow for adjustments to be made on the business implementation. Evaluation team comprise of experts from the academia, private sector, and the community. Additionally, each team will be assigned to one academic staff that will work and mentor the group on a day by day basis as they implement the business idea.

At the end of the implementation period, each group is expected to refund the money that was advanced to them, with a 10% interest. The interest charged on the capital is meant to cater for inflation on the capital, as well as cater for the banking costs of disbursing the funds. Additionally, charging an interest rate gives the students a real feel of the cost of capital in business operations. The businesses are then evaluated based on the performance and experience of the students in the process of implementation. The business plans may then be adjusted/ revised based on the experience of implementation, to produce a tested business plan that can be shared with private sector, banks and prospective entrepreneurs. The final stage in the AIH is for students to share the business experience with fellow students and with the wider student community. These business case seminars will be organised at the university as well as at local, regional and national events.

Expected outputs. The AIH activities will run for a period of two years, in which two cycles of students will be trained. The key activities will include business plan development, financing and implementation and dissemination of results. These activities will be preceded by business skills training and value chain mapping activities by the students. The major output from this AIH will be development of student enterprise initiative and entrepreneurial mind-set through the creation and management of practical agribusinesses. Specifically, the AIH aims to achieve the following outputs:

- Inculcate a sense of entrepreneurial mentality (social, environmental, ethical) amongst students;
- Develop business management knowledge, abilities and skills amongst graduate students
- Enhance creativity, innovation and strengthen leadership skills amongst students

Acknowledgement

We are grateful to the Mastercard Foundation and RUFORUM for funding this project and for the technical support from RUFORUM staff. This paper is a contribution to the 2018 Sixth African Higher Education Week and RUFORUM Biennial Conference.

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