

## Innovation Centres (InnoC)

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*For members*



Musanze, Rwanda, Photo HR&S 2015

Street vendor innovations

## **Introduction**

Human Rights and Science (HR&S), its Country offices and Programme partners runs Innovation Centres (InnoC) in non-OECD countries where opportunities are scarce. The purpose with the Centres are to provide the means necessary for researchers, innovators and entrepreneurs in non-OECD countries to implement their ideas.

Thus, innovators with innovative ideas, researchers with scientific findings and entrepreneurs with business ideas, are welcome to become InnoC members. The InnoCs offers co-working space, networking, training and coaching. HR&S addresses self-financed start-ups and provides training and coaching to entrepreneurs to achieve this goal.

## Services

### Facilities

The Innovation Centres offers a variety of opportunities (the actual offer differs at each site).

#### Physical infrastructure

##### Level ONE:

- Co-working space.
- Internet connection and electricity.
- PO box address.
- Locker storage.
- Workshops on ways to self-fund business start-ups.
- Workshops on business management.
- Networking activities among members.

##### Level TWO (level One plus different levels of):

- Business management coaching.
- Access to senior technical and business experts.
- Investment capital.
- Back-office support (printer, scanner etc.)
- Meeting rooms, Telephones, Glasses.
- Transportation vehicles.
- Accommodation, food and drinks.
- Social security framework.

#### Community host

The hosts welcomes the members, supports on-site and arranges social events and team-building programmes.

### Activities

#### Networking

##### Community networking

The InnoC members offers a location to come to where members are surrounded by a family of social entrepreneurs and innovators. Members are part of a team building programme which encourages informal knowledge sharing and individual support. It shall be a place to look forward to come to which offers a positive and motivating atmosphere, efficient working conditions, and social togetherness.

##### External networking

The InnoCs offers a platform for the members benefit from an international network of advisers and experts. The Centre also provides a platform for the entrepreneurs to market their products to potential customers including the civil society, authorities, media, academia, private sector and investors.

## **Workshops**

### **Business management**

Workshops are arranged around:

- Business idea and Business plan.
- Bookkeeping and Financial reporting.
- Roles and responsibilities in a business.
- Transparency and accountability; Quality values and efficiency.
- Real-time outcome evaluation planning.

### **Self-funded Start-up coaching**

The self-funded or lightly-funded start-up is the foundation of the next wave of start-up innovation world-wide – and lack of funds is no longer a reason not to launch. HR&S supports self-funded start-up, as self-funded start-ups has several benefits.

### **Design thinking**

Design thinking refers to creative strategies designers use during the process of designing. It is also an approach to resolve issues in business and social contexts. Design thinking in business uses the designer's sensibility and methods to match people's needs with what is technologically feasible and what a viable business strategy can convert into customer value and market opportunity. Considers a consumer's emotional state regarding the problem, as well as their stated and latent needs, in discovering and developing solutions. Design thinking identifies and investigates both known and ambiguous aspects of the current situation in an effort to discover parameters and alternative solution sets which may lead to one or more satisfactory goals. Because design thinking is iterative, intermediate "solutions" are potential starting points of alternative paths, allowing for redefinition of the initial problem, in a process of co-evolution of problem and solution.

### **Work ethics and work efficiency**

The InnoC addresses work ethics and work efficiency and offers awareness raising workshops on Cross-cultural understanding, Quality values in post-Aid collaboration, Women empowerment, Leadership, Time management, Long term planning, Knowledge sharing, Truth and trust, Equal partnership, and Expectations and core values.

## **Coaching**

### **InnoC**

We offer business management and technology coaching. The coaching addresses aspects specific for each entrepreneur.

### **HR&S Sweden**

We offer coaching through our InnoC staff in Sweden.

## Self-funded Start-up

Once our members have decided on the type of venture to start, the next step is figuring out where the money will come from to fund it. Fortunately, as a result of cloud innovations that exist today, the InnoC members will not need nearly as much to launch compared with just twenty years ago.

The self-funded or lightly-funded start-up is the foundation of the next wave of start-up innovation world-wide – and lack of funds is no longer a reason not to launch. HR&S supports self-funded start-up, as self-funded start-ups has several benefits:

- It is often beneficial to self-fund so that the entrepreneurs can access potential customers creatively and move rapidly and lean. Making decisions quickly can allowed entrepreneurs to get to their potential users quicker and allows for pivots along the way to start generating income.
- Self-funding entrepreneur can be able to prove the concept, prove their dedication to the idea, and become a more attractive target to potential investors.
- When entrepreneurs approach other financing sources such as bankers, venture capitalists or the government, they will want to know exactly how much of your own money the entrepreneurs are putting into the venture them-selves. After all, if the entrepreneurs do not have enough faith in their business to risk their own money, why should anyone else risk theirs?

The HR&S self-funding coaching programme includes ways to cover start-up costs without funding or with light-funding only. The options are described below.

### Lower private costs

- Decrease personal spending.

### Generate parallel income

- Private saving.
- Generate a side income.
- Benefit from private assets.

### Lower business costs

- Find services for free or very cheap.

### Sell something small, early

- Launch a Minimal viable product.

### Raise funds

- Crowd-funding.
- Grants.
- Accelerator programmes.

### Identify Light loans

- Targeted loans.
- Borrowing against receivables.
- Revenue-based financing.

### **Decrease personal spending**

We may have to have decrease our personal spending.

### **Private saving**

We may have to save funds to invest in the start-up.

- If the entrepreneur is employed, one way to finance her business is by saving money from her current salary until she has enough to launch the business.

## Generate a side income

- Employment

Entrepreneurs with little cash may need to keep a day job while they launch their entrepreneurial effort.

If the entrepreneur is employed, one way to finance her business is consider cutting the full-time job back to part time. This ensures some steady funds rolling in until the business starts to generate income. Loyalty rules towards the employer must then be considered.

- Side projects

The entrepreneur may also look for innovative side projects that would bring in residual income such as renting out items and selling their expertise.

## Benefit from services that are for free or very cheap.

It is often possible to launch with a lot less capital than was required just twenty years ago, due to the existence of cloud-based software and infrastructure, along with platforms-as-a-service that allow entrepreneurs to more easily create and market their own apps.

- Cloud services

Newer start-ups are often “born-in-the-cloud,” and operate virtually and often are able to operate with minimal on-premises equipment. Besides the obvious cost advantage that comes from not having to operate your own servers, newer DevOps platforms are bridging the gap between IT and business, letting entrepreneurs get up and running quicker and with better apps that are more attuned to the business end of your start-up.

- Free Apps

Use free apps. Using the right business apps can help entrepreneurs do more for less. A cheap landline without the contract is possible through a personal number on Skype. Brightbooks can be used for invoicing, MailChimp for managing mailing lists and KashFlow for accounting.

- Social networking.

This point is a given for practically every business, but when there is no money to spend on PR or advertising, social networking will take on even greater importance.

- Communicate

Tell (almost) everyone. Be open to criticism, ask for help and pull in favours.

- Events

Running events is a great way to get free PR, press coverage and spread word of mouth. If entrepreneurs can run events that customers would actually pay to go to then the entrepreneurs should be able to fund the whole thing through ticket sales.

- Choose strong products

Choose products wisely, the greater the competition, the more money entrepreneurs will need in order to be heard above the marketing 'noise'. The entrepreneur's products will have to be strong as they will not be able to afford a flashy website.

- E-commerce

Pick the right e-commerce platforms to sell products online. Big Cartel and Shopify can be set up quickly with no development know-how. Take money via PayPal and there will be no monthly charge.

- Advice

Get a mentor. There are plenty of successful businessmen and women out there who are keen to support new business owners. Charities like the Bright Ideas Trust can put you in touch.

- Start

Get on with it. If the entrepreneurs are not investing much money, they do not have much to lose. Just get out there and try and make a living.

### **Benefit from private assets**

The entrepreneurs may begin by doing a thorough inventory of their assets. Assets include savings accounts, equity in real estate, vehicles and equipment. People generally have more assets than they realize. The entrepreneurs may want to use as much of their own money as possible to get started; remember, the larger your own investment, the easier it will be for you to acquire capital from other sources.

- Sell assets

The entrepreneurs may decide to sell some assets for cash or to use them as collateral for a loan.

- Low-interest-margin loans on investments

If the entrepreneur has investments, she may be able to get low-interest-margin loans. The downside here is that if the market should fall and the securities are the entrepreneur's loan collateral, the entrepreneurs may have to supply more collateral and may have to sell some of the securities.

- Low-interest-margin loans on owned home

If the entrepreneur own a home, she may get a home equity loan on the part of the mortgage that she has already paid off. But the entrepreneur must be very sure she can repay the loan--she can lose her home if she does not repay.

- Credit-card loan

Personal line of credit. Some businesses have successfully been started on credit cards, although this is one of the most expensive ways to finance a start-up.

### **Launch a Minimal viable product (MVP)**

Try to reach an MVP (minimal viable product) and achieve viability as soon as possible.

### **Raise funds**

- Crowd-funding.
- Grants.
- Accelerator programmes.

### **Identify Light Loans**

If loans are still necessary, then the below may be possible options.

- Targeted loans

Entrepreneurs may benefit from reaching out to local community organizations, community banks or online lenders who specifically offer loan products for borrowers who are in a minority class. Become knowledgeable of programmes that target specific groups, businesses launching in distressed areas, or minority-owned businesses.

- Borrowing against receivables

Once the entrepreneur does have some revenue coming in, factoring, or borrowing against

receivables, may become an option, and that usually does not require the same sort of scrutiny a conventional loan carries. This option can be inflexible though, with fixed daily or weekly payments required.

- Revenue-based financing (RBF)

Revenue-based financing (RBF) is a more flexible alternative. RBF fits the needs of tech entrepreneurs because it is a flexible instrument, it does not require hard assets, and combines many of the best aspects of debt and equity, since it is non-dilutive yet aligns the interests of the entrepreneur and investor toward growth.

## Investment capital \_ ActionInvest

An small start-up loan may be offered by HR&S if the business has proven results, guarantees are available and a pay-back plan has been secured. The financing programme is named ActionInvest and has no links to or similarity with microfinancing. It shall be noted that HR&S is not a bank nor a micro-finance institute, but an equal partner, thus challenges are faced and sorted out together.

- Amount

The size of the loan is small at the start and may increase with time, if the agreement is honored. The initial amount is often € 100 - 500 and can be increased to € 1,000 and above as soon as the loan-taker proves performance.

- Co-funding

It is expected that the Target partner contributes with a share of the start-up capital. The contribution is according to capacity and may include seeking and securing a grant.

- Interest

The interest is often 10%

- Pay-back scheme

A pay-back scheme is agreed on and a contract is signed.

The agreed payback amount may be automatically with-drawn from the loan takers bank account.

- Guarantee

A guarantee is required and can be:

+ Borrowing against receivables proving a scheme generating continuous income such as sales of early products.

+ Borrowing against receivables proving a scheme generating continuous income such as a crowd-funding programme.

+ Arranging a group of loan takers (often five) who caters for each other. The group members pay back as a group, if one members cannot pay back the other do, and the debt is sorted out within the group.

+ Pre-saving. The loan taker saves an amount which stands in relation to the loan, maybe monthly. The savings is kept at an HR&S account. The saving continues in the same format after the loan has been released until paid with interest.

+ A legal document is signed and local authorities are securing the agreement together with the HR&S local office. The HR&S support agencies continuously over-see the loan pay back.

- Proof of business success

A loan-taker has to prove the potential of the business before being approved a loan. It can be a prototype and small-scale selling.

- Restrictions

Loans are not approved to family members of HR&S staff and other closely related stakeholders. Loans can be approved directly to HR&S staff and volunteers.

## Membership

### How to become a member

Potential members apply for membership by filing in an application form. Then an interview is arranged. The application form and interview identifies the expectations from both sides and if the expectations can be met.

1. Potential members are welcome to visit the HR&S local office and **present their business idea**.
2. Potential members then apply for membership by providing a **written business idea and a written self-funding start-up plan**. The “HR&S business idea template” is available on the web-site.
3. A **meeting** is arranged where the written business idea and a written self-funding start-up plan is discussed and the potential member interviewed.
4. If both sides still agree to continue, a **membership plan** is developed. It explains the type of support provided by the Innovation Centre and the related membership fee and other costs.
5. Thereafter the parties sign an **MoU** and the Target partner (TP) become a member of the InnoC. The MoU clearly defines expectations and core-values and both partner’s responsibilities, including annual programme and financial reports, reports and story-telling.
6. An evaluation planning **ROPE-Bus Programme journal** is created and maintained by the InnoC staff.
7. A **tailor made coaching** programme is offered to the InnoC member as mirrored in the ROPE-Bus Output map. The coaching is paid for by the member separately. The coaching programme may include
  - Reaching out to potential customers.
  - Marketing.
  - A loan (ActionInvest).
  - Awareness raising about: business planning, case statement development, website creation, social media management, finance administration and accounting, intellectual property rights, patenting, copy rights, cross-cultural partnership (CUP), quality values in post-Aid collaboration (TAct) and evaluation planning (ROPE).

## Prices

A registration fee and a monthly membership fee is applied.

Members also pay 10% interest on loans they take and a service fee for certain services

### Registration fee

€ 20

### Membership fee, per month

#### Level one

€ 40

Internet access, hours	30	+ € 5 per 10 additional hours
Co-working space	incl.	
Meeting room	incl.	
PO Box	incl.	
Locker storage	incl.	
Business management workshop attendance	free	one workshop per month
Networking event attendance	free	

### Coaching fee, per hour

€ 5

### Payment

Payment is made to HR&S local office.

## Locations

### Kenya

#### Nairobi

Programme partner:  
Livelihood improvement programme  
CEO: M.Sc. Nancy Githaigah  
Partnership: The Kijiji.

### Liberia

#### Little Bassa

Programme partner:  
Initiative for the Development of Former Child  
Soldiers (IDEFOCS).  
CEO: Mr. Morris MATADI  
Address: Little Bassa junction

### Nigeria

#### Abuja

Programme partner: PSAN  
CEO: Prof. Karniyus GAMANIEL

#### Lagos

Programme partner: SpellAfrica  
CEO: Elvis Austins

### Rwanda

#### Kigali

Programme partner:  
STYLOS  
CEO: Déodathe NDAZIVUNYE  
Partnership: Impact Hub Rwanda.  
Address: Remera

#### Kigali

Programme partner:  
PragmatTical Innovation  
CEO: Benjamin KYAMBADDE  
Address: Remera

### Musanze

Programme partner:  
University of INES-Ruhengeri  
Rector: Ft. Fabien HAGENIMANA  
Address: Hosted by the university.  
ActionInvest is available.

### Sweden

#### Stockholm

HR&S Head quarters  
CEO: Cecilia ÖMAN  
Member of Impact Hub Stockholm  
Offers coaching to the Centres

### Togo

#### Tsévié

Programme partner:  
Association Solidarité Enfance et Vie (S.E.VIE)  
CEO: Mr. Francois KLUTSÉ  
Partnership: Action10

#### Agbolowé

Programme partner:  
Association Solidarité Enfance et Vie (S.E.VIE)  
CEO: Mr. Francois KLUTSÉ:  
Status: Land secured and office under  
construction.

### Uganda

#### Kampala

Programme partner: PAMOJ  
CEO: Bernard OMONY  
Address: Kamwookya