



**Micro and Small  
Enterprises Authority**

1<sup>ST</sup> QUARTER 2022 ISSUE

# THE MSE AGENDA

MSE Agenda is a Monthly Publication of the Micro Small Enterprises Authority



**In this edition**

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- Customer relation



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***Dear Colleagues,***

Last year was a transformative year for the MSE sector, a period in which MSEs displayed their ingenuity and resilience amid the Covid-19 pandemic challenges experienced worldwide. The Authority rolled out extensive investment programmes towards the recovery of the sector which were oriented towards increasing manufacturing capabilities, improving knowledge and skills and facilitating market linkages. Working together, we made good progress on these strategic goals and we are optimistic of better implementation with the support of our partners.

The growth of this publication has also been a cumulative outcome of the efforts of every staff in the Authority. Our ventures this year will look forward to your active participation in boosting this issue further.

In 2022, we will be capitalizing on the various improvements we made in 2021 by building on the strengths of our technical capabilities to deliver best services, an outstanding customer experience, and amazing content on the MSE Agenda.

I want to thank you for your continued commitment and effort.

Working together we will achieve great things.

***Henry Rithaa***  
***Director General/CEO***

## STRATEGIC PARTNERSHIPS

### MSEs PROFILING

#### Kamukunji Juakali Association

**M**SEA's Kamukunji Juakali worksite in Nairobi County is occupied by Kamukunji Juakali Association, an MSE association with over 7000 members engaged in various metalwork sub-sectors.

The first cohort consists of scrap metal dealers, metal cutters and folders, gas and electric welders, welding rod suppliers, polish and paint traders. The second sub-sector constitutes the metal engineering producers who make folding and pressing machines and other metal handling accessories. Metal products manufacturers are also represented and they make diverse products including wheelbarrows, sewing machine stands, chaff cutters, boxes and aluminium cooking pans. Other products include energy-saving stoves, chips cutters and warmers as well as agricultural, transport and construction equipment.

Among the MSEs at the site is Mr. Frank Mithika, of Nyambene Enterprises who has over 19 years of experience in metal and steelworks that support the hospitality sector. His products include kitchenware, deep fryers, burners, ovens, chips cutters and display counters. He has two employees and contracts casual labourers when the need arises.



*Mr. Frank Mithika, of Nyambene Enterprises*



The event provided an opportunity for MSEA and other agencies under the Ministry of Industrialization, Trade and Enterprise Development institutions to interact with MSEs and inform them of the various Government interventions available to support their growth and development.

The Authority also took this opportunity to recognize MSEs in various sectors through the following posters.





*MSEs at the Kamukunji Juakali worksite*





*Mr. John Bosco at his business*



Mr. Paul Owuor of Migingo Fabricators is another MSE that produces wheelbarrows on large scale. The prices depend on the quality of material used and prices range from Kshs 4500 to 6500. He has also diversified his products to include school metal boxes and oven jikos.



*Paul Owuor of Migingo Fabricators*



High Quality products are produced and manufactured at the Kamukunji worksite, however, there is an opportunity to offer digital training to the MSEs especially on how to market their products.

There is a great need for a change in perception of the Jua Kali sector from one that produces inferior quality products to one that can be seen as a key instrument to achieving Kenya's Vision 2030.

## CAPACITY DEVELOPMENT

### ILO-MSEA BDS training

International Labour Organization through its training arm ITC ILO has supported MSEA to develop an online Business Development Services portal to train Master Crafts Persons (MCPs) under the Better Utilization of Skills for Youth ILO #BUSY Project. The project aims to increase decent job opportunities and employability of young people through workplace-based training, thereby addressing



unemployment, vulnerability and poverty in urban and rural settings.

MSEA conducted training of field officers, trade officers and Master Crafts Persons on the contents and usage of the online learning portal. The trained trade and field officers will thereafter facilitate training of the Master Crafts Persons.



*Training of Master Craft Persons in Busia County.*

## REGIONAL NEWS

### Machakos County fruit farming

The Lower Eastern Kenya region commonly Known as Ukambani have adopted farming of different fruits. Fruit farming has revived the region and has given hope to many farmers who for years have experienced poor harvesting of other crops.

MSEA Machakos office team met with Yatta Multipurpose Farmers Association, Agricultural Sector Development Support Programme (ASDSP), and Jomo Kenyatta University of Agriculture and Technology (JKUAT) to discuss and deliberate on a proposed Mango processing plant at the Matuu Constituency Industrial Development Center (CIDC).







MSEA Machakos office team with Yatta Multipurpose Farmers Association, officers from Agricultural Sector Development Support Programme (ASDSP), and representatives of Jomo Kenyatta University of Agriculture and Technology (JKUAT) at the Matuu Constituency Industrial Development Center (CIDC).

## Tana River County mangoes value addition

**T**ana River County produces approximately 30,000 metric tonnes of arguably the sweetest mangoes in the country annually. MSEA Tanariver/Lamu region office visited Kumbi village which is approximately 35km from Hola County headquarters. The village is near the banks of the Tana River and is covered by magnificent mango trees.

They met a group of women entrepreneur farmers known as Elimika Women Group who have ventured into mango value addition. They have undergone training in the production of mango juice, mango jam, mango yoghurt and mango crisps. The regional Assistant Development Enterprise Director Mr Zacharia Kibara sensitized them on the importance of registering their Association and assured them of the Authority's support in capacity building in business planning, product development and market entry strategies



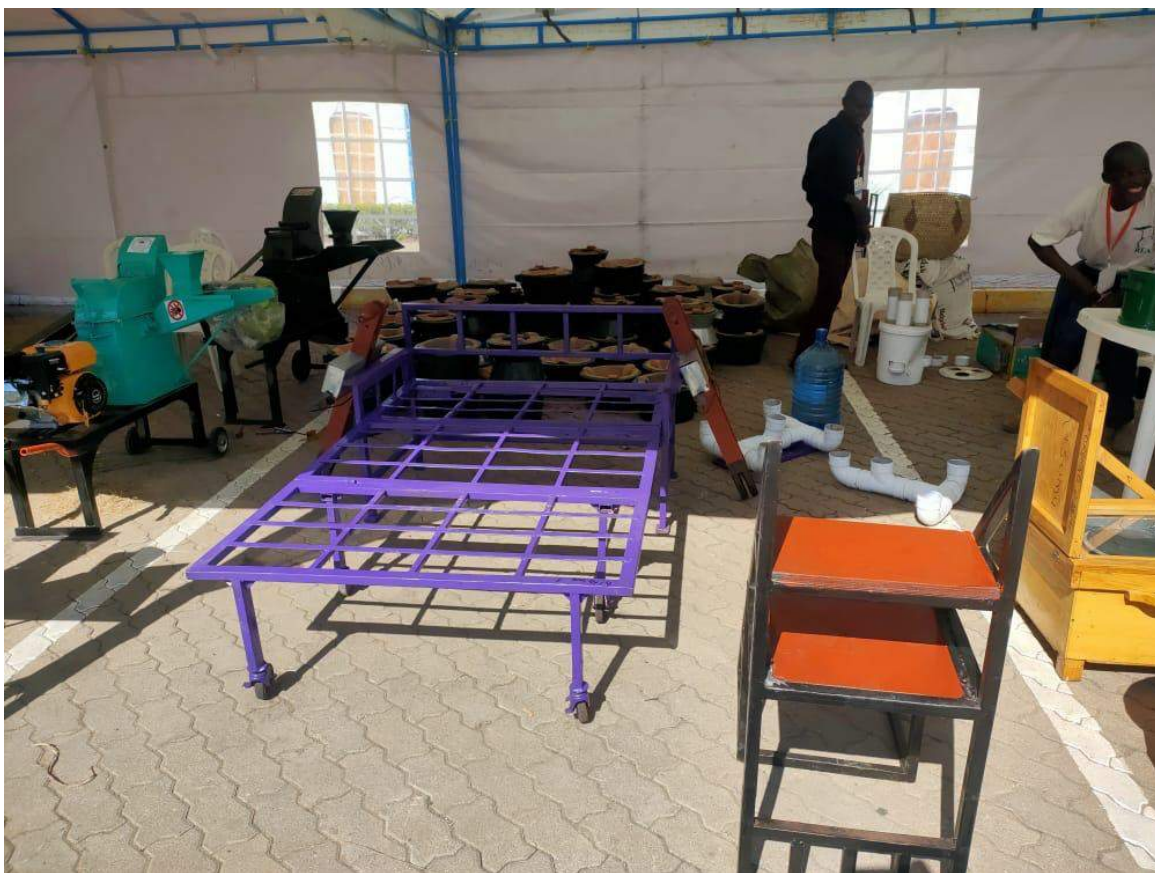
Regional Assistant Development Enterprise Director Mr. Zacharia Kibara with Elimika Women Group at Ukumbi Village in Tanariver





## Siaya County furniture innovation

George Otieno, the proprietor of Hollo Enterprises from Siaya County specializes in metal works and other innovative concepts. One of his creations is a movable folding bed that transforms to become a chair. The bed saves a lot of space and is ideal for people living in single rooms, as it maximizes space. This multipurpose bed costs Kshs. 15,000. He has also created a multipurpose chair that acts as a ladder. He also makes chicken feeders and chicken drinkers.

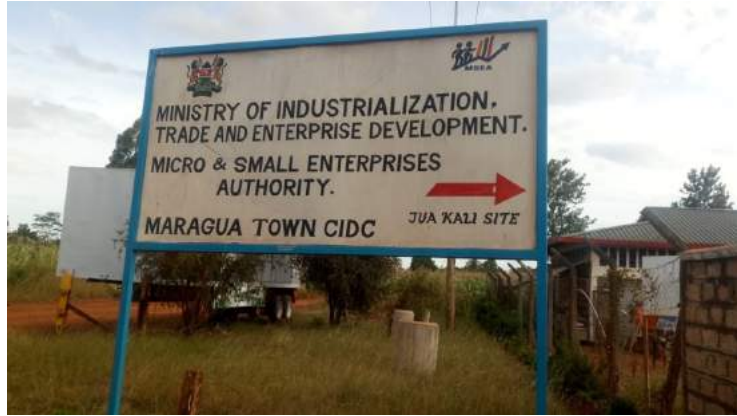


George Otieno showcasing his products at the 21<sup>st</sup> EAC Tradefair 2021



## Murang'a County animal feeds processing

**M**SEA Director-General/Chief Executive Officer Mr. Henry Rithaa accompanied by Eng. Gicheha a representative of the MSEs in Murang'a County visited Maragua Constituency Industrial Development Center (CIDC)/ Juakali worksite. MSEs at the site mainly produce high-quality machinery for animal feed processing and also deal in agri-business.



MSEA Director General/Chief Executive Officer Mr. Henry Rithaa, Eng. Gicheha a representative of the MSEs at Maragua Constituency Industrial Development Center (CIDC)/ Juakali worksite.



**P**eter Ndungu, an innovator dealing in metal welding and fabrication has been in the Juakali field for years. The need to cater for different farming and household needs drove him to manufacture an energy saving, 4 in one machine that is used for milling, flour sifting, animal feeds processing and grinding. Peter who is based at the Olkalou CIDC was featured on the Bongo La Biashara.

<https://www.youtube.com/watch?v=4BQ5sha1pxA>



## MEDIA ENGAGEMENTS

### Media briefing by MSEA and Micro and Small Enterprises sector leaders

**M**SEA Chairman Mr. James Mureu, CEO/DG Mr. Henry Rithaa, met with Micro and Small Enterprises sector leaders to explore areas of support and partnerships. During the meeting, the chairman spoke on the need of uniting as a sector to speak with one voice in positioning the sectoral issues for government interventions. He also emphasized the need for harmonious representation to better coordinate MSE support policies and overall growth of the sector.



*National Organizing Committee meeting at MSEA headquarters*

### MSE Media engagement



*MSE from the New Dawn Help Group accompanied by Senior Assistant Director Corporate Communication Elizabeth Mulae during the interview*

**T**he increasing need to preserve the environment against the effects of climate change, coupled with ever rising prices of kerosene and cooking gas in the Country, necessitated the New Dawn self-help group to consider alternative sources of energy for domestic use.

The youth led group which was formed in 2014, specializes in production of biomass briquettes and lighters made from water hyacinth and rice husks.

### MSEA Board Chairman interview on KBC

**M**SEA Board Chairman, Mr. James Mureu was featured on Inside Government, a programme featured on KBC Channel One where he talked about the strides taken to cushion MSEs and strategies on post-Covid-19 recovery.





#KBCchannel1 #KBCBusiness #KenyaViews  
Inside Government: Focus On MSMEs | James Mureu - Chair, Micro & Small Enterprises Authority

*MSEA Officers doing a sensitization and registration exercise in Nairobi County.*

He noted that the Authority has entered into strategic partnerships with financial institutions and development partners to support the development of MSE sector. In Specific, The Authority has entered into agreements with Family Bank, Equity Bank and Gulf African Bank to provide affordable credit facilities to MSEs. To facilitate skills development, the Authority is facilitating the training of Master Crafts Persons through an online training platform developed in partnership with ILO and ITCILO. MSEA is also implementing digital and entrepreneurship skills training based on a Microsoft certification arrangement in partnership with Stanbic Foundation.

The Board Chair, also informed the public that MSEA has operationalized the Office of the registrar of MSEs to facilitate the formalization of MSEs. He added that when MSEs are formal, they can be easily be identified for programmes and have ease in accessing procurement opportunities.



*MSEA Board Chairman Mr. James Mureu being interview by O'Brien Kimani of Inside Government programme at KBC Channel 1*

## MSEA BOARD CHAIRMAN FAMILIARIZATION TOUR IN MACHAKOS

**M**SEA Board Chairman Mr. James Mureu accompanied by Kenya Federation of Juakali Association CEO Mr. Richard Muteti conducted a familiarization tour to Machakos Juakali Worksite. They visited some of the MSEs at the worksite who have ventured in different industries which include; woodwork, tinsmith, mechanical works, metal work and shoes made from car tires famously known as (akala).

They also interacted with the committee members of the Juakali Worksite, he applauded them for a job well done and mentioned that the authority will collaborate with different partners to provide more resources that will help the MSEs to grow. #EmpoweringMSEs





*MSEA Board Chairman, accompanied by Kenya Federation of Juakali Association CEO Mr. Richard Muteti interacting with an MSE at the Machakos Juakali Worksite*

*MSEA Board Chairman, accompanied by Kenya Federation of Juakali Association CEO Mr. Richard Muteti interacting with the chairman of the worksite about the usage of the Lathe Machine provide by MSEA*



*MSEA Board Chairman, Kenya Federation of Juakali Association CEO Mr. Richard Muteti and the committee member of Machakos Juakali Worksite*



## Significance of Strategic Management in the MSE sector in Kenya

### By Kenneth K. K. Cheruiyot, Department of Strategy, Planning and Co-ordination



Strategic Management is a field of study that has in the last number of decades defined how businesses run sustainably and to the future. It provides an overall direction by developing plans and policies designed to achieve the objectives and allocating resources to implement the plans.

The evolution of the MSE sector in Kenya within the last four decades has been notable. The formalization of MSEs through the office of the Registrar of MSEs has given the sector a new lifeline.

Kenneth K. K. Cheruiyot, Department of Strategy, Planning and Co-ordination

## Strategic Management roles in:

### i) Financial planning in the MSE sector

One of the major challenges that MSEs face is access to affordable finance. This is despite the existence of various interventions by financial service providers and Government initiatives such as the Kenya Youth Employment Project (KYEOP) that has provided seed capital to several MSEs across the country. A large number of MSEs lack the requisite documentation and collateral required by credit providers. There are however those that meet the requirements of accessing finance.

When MSEs have finance or capital at hand, it's fundamental that they are equipped with basic financial knowledge to enable them to make financial plans for their businesses and make them grow. Understanding basic bookkeeping aspects such as capital, direct expenses, sales/turnover, profit, taxation is the first step in financial planning. The second step is separating business finance from personal finance; for this, an MSE entrepreneur can use a "pay-yourself first" strategy, where the owner earns an income separate from the business. The third step is understanding debt management and its financial impact on the business. Most MSEs close down due to heavy debt burdens. Each MSE should know its limits to borrowing/credit sell based on their ability to repay/collect and viability of their ventures. Finally, risk is inevitable when doing business. MSEs should plan to take insurance on insurable risks to avert total losses.

MSEs should utilize strategic tools such as budgets which help them to plan and spend within their means, they further need to understand the returns on investment amongst other financial management tools.

Measurement of financial success is through average profit and cashflows which are key in meeting day to day needs of an enterprise.

Succession planning, marketing and financial planning are also other challenges that can all be cured by having a proper strategic plan.

## ii) Human capital and succession planning in the MSE sector

‘Owner’ and ‘business’ in most micro and small enterprises are inseparable. This is largely owed to two factors, the subsistence nature of the business where the owner earns the daily bread from the business and the skill which may not be transferable upon the demise of the proprietor.

A keen business person works on the perpetuity of the business and aptly plans for its succession. Strategies for Human Capital planning in the factors mentioned would include a clear separation of the owner from the business and skills transfer through the engagement of family members and employees where possible. Separation of the owner from the business includes having the MSE registered as an entity with separate financials and further remunerating the owner at the end of an organized period.

Skills transfer and especially for the artisans can be covered through on the job training or attending vocational institutions that offer the apprentice.

## iii) Marketing management in the MSE sector

In the 2016, the MSME survey conducted by the Kenya National Bureau of Statistics, showed that one of the main challenges the MSE sector faces is lack of markets and local competition. These factors require that the MSEs develop a marketing strategy that will help them create a competitive advantage. Competitive advantage in Strategic Management are factors that allow enterprises to produce goods or services at a lower cost than their competitors.

To achieve a competitive advantage, an MSE may drive the cost of the product that they are dealing in by producing cheaply and taking advantage of economies of scale, this may be a challenge however for them as the initial demand for capital may not allow them to produce in large volumes. This shortcoming for MSEs can be cured by having these organizations aggregate for production and utilize infrastructural facilities provided by the Government such the Constituency Industrial Development Centres and the Centres of excellence. MSEs may also adopt a differentiation strategy through branding and unique identification. This strategy is being promoted through standardization and quality assurance through government agencies such as MSEA and the Kenya Bureau of Standards.

A focus strategy in creating a competitive market can also be applied by targeting particular market segments. “Jua Kali”, “Kadogo economy” have been previously used with the MSE sector being a market niche.

Innovation and utilization of technology is another marketing management strategy that MSEs need to utilize. With the social media age and cropping up of business to business (B2B) and business to customer (B2C) online applications, it is fundamental that MSEs adapt for them to be players in the emerging markets.



In the COVID-19 pandemic, cessation of movement and closure of open-air markets affected businesses were affected adversely. For those who adopted to new ways of marketing on social media and those who utilized apps such as Glovo, Sendy, Uber Eats among others retained their customer base and further created new markets.

In conclusion, working with micro and small enterprises requires an understanding of the environment that the sector players are in. It is key to note that these players cannot afford to hire professional strategic managers but ways to help them structure their mission and vision, set business targets and formulate better financial, human resource and marketing plans would come in handy for the continuity of these businesses.

## CUSTOMER RELATIONS

### MSEA revised Service Delivery Charter

Improving the quality of public services has become a major theme on the public sector reform agenda over the last decade. One of the tools to ensure quality assurance has been the use of service charters which are service public documents that set out basic information on the services provided, the standards of service that customers can expect from an organization, and how to make complaints or suggestions for improvement.

Through staff and customer consultation, the team has revised the customer service charter to feature core services offered through business development services initiatives, the office of the registrar and incubation facilities and ensure ongoing improvements within MSEA's day to day working practices.

The revised charter will provide a good framework to bring about a cultural change towards better customer orientation with the Authority's mandate and increase performance monitoring while reiterating the Authority's commitment to providing these services.

 <b>MSEA SERVICE CHARTER</b> SERVICES OFFERED BY BUSINESS DEVELOPMENT MARKETING AND TRADE			
Type Of Service Provided	Requirements	Charges (IF ANY)	Duration
12. Facilitating MSEs to participate in Trade Exhibitions.	• Have market ready services/products	Appropriate charges dependent on the exhibitor rates.	within 30 days
13. Organize shows and trade fairs for MSEs to access local markets/regional markets	• Formal application by MSEs with Quality products/identification of innovative and good quality products by MSEA officers	Ksh 1000 for local markets Ksh 2500 payable to CMSEO for EAC MSMEs Trade Fair markets Cost for other regional trade fairs dependent on the applicable charges	Once a year in every county Once a year for the EAC MSMEs
14. Linking MSEs to potential markets	• Formal application by MSEs with Quality products	Free	Continuous
15. Provision of entrepreneurial skills	• Formal application from MSEs or MSE association	Dependent on the training program	Within 30 Days
16. Link MSEs to financial access	• Formal application from MSEs	Free	Within 5 Days
17. Product development	• Formal application by MSEs or identification by MSEA officer	Free of charge	14 days
18. Link MSEs for technical assistance on product development.	• Formal application by the MSEs or MSE Association	Free	Continuous
SERVICES OFFERED BY THE FINANCE/ PROCUREMENT DEPARTMENT			
Type Of Service Provided	Requirements	Charges (IF ANY)	Duration
19. Payment to suppliers and contractors	• Submit all required supporting documents	Free	Within 30 days
SERVICES OFFERED BY THE CORPORATE COMMUNICATIONS DEPARTMENT			
Type Of Service Provided	Requirements	Charges (IF ANY)	Duration
20. General Enquiries	• Email responses • Letter response • Website responses • Social media platforms responses • One on one enquiries	All are free	1 day to a week 1 day to a week 1 day to a week 1 day to a week within 30 minutes
<b>Entrepreneurship Transforming Kenya</b> P. O. Box 48823 00100, Nairobi, Gen Line: +254 20 3340 006 / 0700 666 000 Email: info@msea.go.ke/ complaints@msea.go.ke Website: www.msea.go.ke			

*This is the Authority's Customer Delivery promise from The Business Development Marketing and Trade Department (BDMT), Finance/Procurement and Corporate Communications Department who work together to provide excellent support services to our clients.*

# MSEA SERVICE CHARTER

SERVICES OFFERED BY KARIOBANGI CENTER OF EXCELLENCE



Type Of Service Provided	Requirements	Charges (IF ANY)	Duration
1. Provision of technical skills upgrading through Kariobangi MSE Centre.	<ul style="list-style-type: none"> <li>Identification of the technical skills gap by MSE's or technical staff</li> <li>Identification and linking the MSE's to relevant and service provider Formal application by MSEs</li> </ul>	Kshs 500 application fee payable to the service provider Kshs 3000 per month for a 3-month program or as per the service provider's requirement	Immediately after at least 15 participants confirm and make payments
2. Provision of technology transfer through Kariobangi MSE Centre, regional CIDC's and worksites.Trade Exhibitions.	<ul style="list-style-type: none"> <li>Formal reference note from a primary association, collaborating institution or a county enterprise development officer.</li> <li>Attachment of Apprentices to MSEs</li> </ul>	Kshs 50 per hour for a minimum 20 hrs. in a week	Immediately at least 5 participants confirm and make payments Immediately
3. Provision of technology transfer through Kariobangi MSE Centre, regional CIDC's and worksites.Trade Exhibitions.	<ul style="list-style-type: none"> <li>Duly filled job registration cards</li> </ul>	<b>Machining</b> Milling machining@ Ksh 350 per hour Lathe Machining@ Ksh 300 per hour Service grinder machining@ Ksh 350 per hour  <b>Shear Machine per cut</b> 1.5-2 mm Ksh.20 4-4.5 mm@ Ksh.30 5-6 mm@ Ksh.40 8 mm@ Ksh.100 10 mm@ Ksh.120  <b>Arc welding</b> Between 1.4 to 4mm@Ksh 4 per inch 4mm to 6mm @Ksh 6 per inch 6mm to 10 mm@ Kshs 10 per inch 10 mm and above @Ksh 20 per inch  <b>Equipment</b> Body jack @Ksh500 per day Welding Machine @ Ksh.500 per day Haternet d grinder @ Ksh.500 Per day Air compressor @ Ksh.500 Per day  <b>Spray booth services</b> Spray Booth @ Kshs 500 per day Compressor @ Kshs 500 per day Spray gun @ Kshs 200 per day	Continuous

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## MSEA SERVICE CHARTER AWARENESS

SERVICES OFFERED BY KARIOBANGI CENTER OF EXCELLENCE



Type Of Service Provided	Requirements	Charges (IF ANY)	Duration
4. Provision of various Motor vehicle works at Kariobangi MSE Centre	<ul style="list-style-type: none"> <li>Duly filled job registration cards</li> </ul>	<b>Motor Vehicle Body Building Works</b> Minibus- 20 seater @ ksh.20,000 Minibus- 40seater @ Ksh.26,000 Lorry 3 tonnes @ Ksh. 12,000 Lorry 7 tonnes @ Ksh.18,000  <b>Spray painting</b> Small vehicle @ 200 per day Medium vehicle @250 per day Large vehicle @ 300 per day Lorry @400 per day  <b>Wiring</b> New vehicle @ 600 Minor @300  <b>Graffiti</b> New vehicle @ 800 Minor @ 400  <b>Upholstery</b> New vehicle @ 500-800 Minor @200-400  <b>Windscreens</b> New Vehicle @ 500 Old Vehicle replacement @ 200	Continuous

Entrepreneurship Transforming Kenya

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These are services offered at Kariobangi Centre of Excellence which is a modern center for manufacturing, technical capacity building and learning that also hosts the Nairobi Biashara Centre which was developed to support entrepreneurship growth for micro and small enterprises.





*Photos of MSEs Products*



"Today is not just another day. It is a new opportunity, another chance, a new beginning. Embrace it."

~Anonymous

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