

The image features a blue speech bubble with a white outline and a small tail pointing downwards. The bubble is centered on a white background with faint, concentric circles in light gray and dashed lines. The text inside the bubble is in a bold, black, sans-serif font.

(d) Hubs / SME Financing & Sustainability Models

FACILITATOR

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About Me

Background

- Banking, Development Finance Education
- Worked in stockbroking, corporate finance, asset management, economic development
- Government Hub / Corporate Hub / Civil Society Hub(s) experiences
- Pan African / Global Experiences – AfriLabs / GIG

Objectives

By the end of the webinar, learners will:

- Understand **what hub sustainability is**, and why it matters
- Appreciate **the key challenges** in hub sustainability
- Identify the different hub sustainability **models that can work** in an African context / takeaways for EU context
- Consider the **best economic model** for their specific hub and implement it

UNIT 1

What Is Hub Sustainability?

■ **Definition**

The ability of a hub [of whatever nature] to cover expenses with predictable, reliable sources of funding.

This means the hub generates income that:

-contributes to its operational budget

-does not depend on a single source of external support, and

-ensures that outside support received is either reliable or replaceable.

Such self sustainability is best practice [INBIA]

UNIT 2 Common Challenges

These are the common challenges that arise in hub sustainability considerations:

Appreciating
Value of Hubs
Contribution

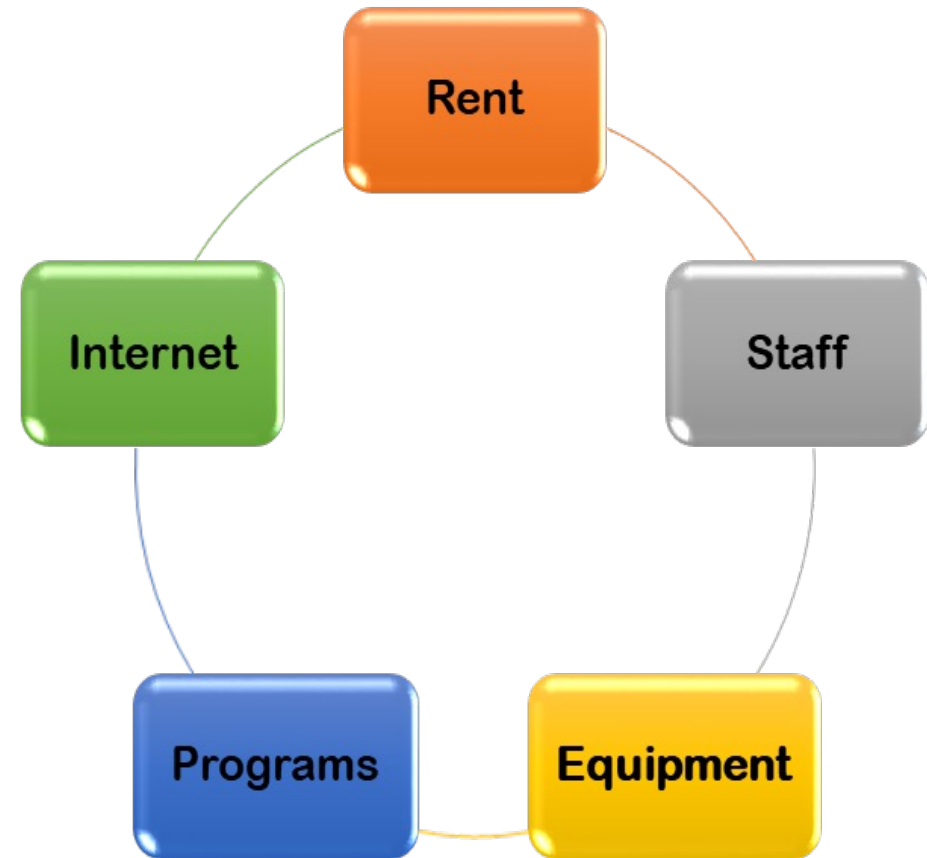
Mission [LT] vs
Available
Funding
[ST/Types]

Hubs Are
Constantly
Evolving

Fragmented
Responses of
Players

UNIT 3 Money Drainers

These are the major money drainers in most hubs:



UNIT 4 Models That Work

■ **Single Promoter Funding**

Funded by institutions with a specific goal or agenda to push at the innovation space

Promoters of this nature can be:

- local government seeking to stimulate community economic development
- an educational institution desiring to promote student entrepreneurship and innovation
- a successful entrepreneur who wants to afford budding entrepreneurs a fair chance in establishing and commercializing their ideas

UNIT 4 Models That Work

■ **Multiple Promoter Funding**

Several contributors to one space bound by a commitment to an overall goal

Classic promoters under this description can be civil/non-government actors, corporates and economic development institutions

Support may come by way of cash such as grants / event sponsorship, or in kind such as property, furniture, devices, refurbishments and fittings, internet services, recommendations

UNIT 4 Models That Work

■ **Leasing Space**

An inward looking mechanism that covers some costs through collections according to usage

Subscribers in the community and users of shared facilities gain access to work stations, offices and meeting spaces, services like a business address, reception, internet, utilities, telephone, kitchen, copiers, and equipment like testing devices, 3D machines etc

Space can be let out for events to non community members

UNIT 4 Models That Work

■ **Consulting and Research / Other Services**

Many hubs are uniquely positioned to understand and deal with particular groups of people: youth or women or students

They can best deliver particular services such as entrepreneurship or tech training to them, or obtain information under a research mandate

Hubs can outsource support to non-affiliated members and make some commission; host funded entrepreneurial training programs, participate in regional economic development work as advisors or technical experts.

UNIT 4 Models That Work

■ **Innovation Fund**

An innovation fund that deliberately invests in high potential start-ups across all sectors in exchange for a little equity

Banking institutions are exceedingly rigid and microfinance institutions charge high interest rates

Private equity players find the typical incubator graduate company too small for their minimum investment amounts

The hub would be able to generate revenue from both equity investments and/or advancing loans to businesses they thoroughly understand

UNIT 5

Finding Your Balance

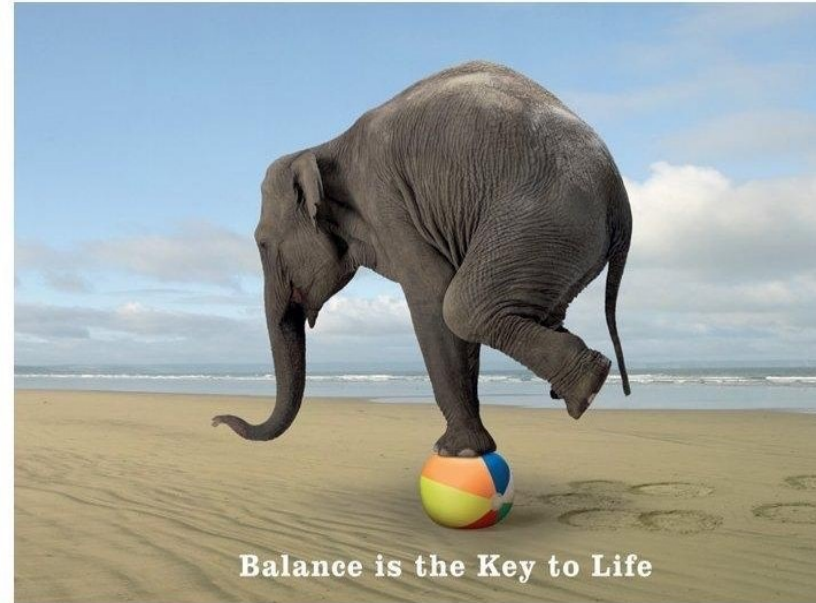
Priorities Matter



- Determine the key costs for the hub's mission and programs to be executed
- Restructure to be lean and scale up progressively
- Consider hybrids or program specific funding

Economic / Business Model for the Hub

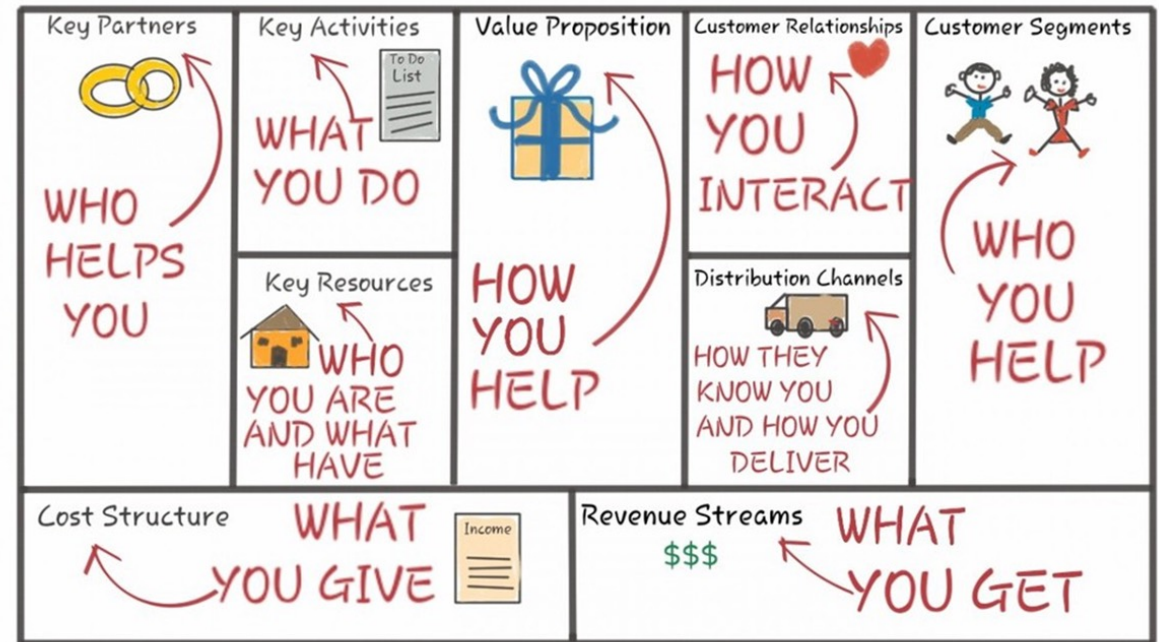
UNIT 5 Finding Your Balance



What is your product/service?

Business Model for the Hub

UNIT 5 Finding Your Balance



Create a first draft for the hub and review it as you go
– you are a startup!

Numbers Do Not Lie

UNIT 6 Finding Your Balance



Be familiar with income/expenditure + cashflow +
balance sheets

THE END

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A close-up photograph of a person's hand holding a bright yellow sticky note. The note has the words "thank you" written in a cursive, handwritten style. The word "you" is underlined with two parallel lines. The background is a blurred teal color, and the person holding the note is wearing a purple garment.

thank
you