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## BUSINESS INSIGHTS

### BY JANTA

DEAR JANTA COMMUNITY,

Welcome to the latest edition of Janta Kenya's newsletter, where we delve into the intricacies of Kenya's evolving economic landscape. In this month's newsletter we discuss why it is important to evaluate your business and the key metrics to help you do that. We are dedicated to providing you with the insights and guidance you need to navigate these hurdles effectively.



## EVALUATING BUSINESS PERFORMANCE

In the dynamic landscape of business, evaluating performance is not just a routine task—it's the compass guiding entrepreneurs and seasoned professionals alike toward sustainable success. As a seasoned business advisor at the age of 30, I've witnessed firsthand the transformative power of insightful performance evaluations. In this article, let's explore the intricacies of this vital process and how it shapes the trajectory of businesses.

### Why Evaluate Business Performance?

Understanding the performance of a business is akin to peering into a crystal ball—it provides clarity on the current state, forecasts future trends, and identifies areas for improvement. Evaluations offer a panoramic view of financial health, operational efficiency, and market positioning, empowering businesses to make informed decisions.

### Key Performance Indicators (KPIs): The North Star of Evaluation

To embark on an effective evaluation journey, one must first identify and prioritize Key Performance Indicators (KPIs).

These metrics act as the North Star, guiding businesses toward their objectives. Whether it's revenue growth, customer satisfaction, or operational efficiency, KPIs provide measurable benchmarks for success.

### Financial Health: Beyond the Bottom Line

Financial indicators are the heartbeat of any business. Beyond the bottom line, prudent evaluation considers liquidity, solvency, and profitability ratios. Tracking cash flow, debt-to-equity ratios, and gross margins unveils the financial story, allowing for strategic financial planning and risk mitigation.

### Operational Efficiency: Fine-Tuning the Machinery

A well-oiled machine is a hallmark of operational excellence. Evaluating business performance extends to scrutinizing internal processes, supply chain efficiency, and workforce productivity. By delving into operational metrics, businesses can identify bottlenecks, streamline workflows, and enhance overall efficiency.



## Market Positioning: Where Perception Meets Reality

How a business is perceived in the market is as crucial as its actual performance. Evaluation in this realm involves analyzing brand strength, market share, and customer sentiment. Social media engagement, customer reviews, and competitor analysis provide a comprehensive picture, guiding businesses to refine their market positioning strategies.

## Adaptability: The Cornerstone of Longevity

In today's fast-paced business environment, adaptability is non-negotiable. Evaluations should gauge a business's capacity to pivot in response to industry trends, technological advancements, and unforeseen challenges. The ability to embrace change positions a business not just as a survivor but as a frontrunner in its domain.

## Data-Driven Decision-Making: From Gut Feel to Informed Choices

In the era of big data, decisions backed by comprehensive data analysis reign supreme. Performance evaluations should harness data analytics tools to derive actionable insights. From customer behavior patterns to market trends, leveraging data transforms decision-making from gut-feel guesswork to a strategic and informed process.

## Continuous Improvement: A Business's Northward Trajectory

Evaluations are not a one-off task but a continuous process woven into the fabric of a business's DNA. Regular assessments enable businesses to adapt swiftly to changing landscapes, fostering a culture of continuous improvement. Whether through quarterly reviews or real-time analytics, the commitment to evolution propels a business on an upward trajectory.

## In Conclusion

As a business advisor navigating the complexities of evaluating business performance, I've come to appreciate it not merely as a task but as a transformative journey. From financial intricacies to market dynamics, every facet contributes to the grand narrative of success. Embracing this holistic approach positions businesses to not only weather storms but to emerge as industry leaders. So, fellow professionals, let's embark on this journey of evaluation, armed with insight and driven by the pursuit of excellence. The business landscape awaits our discerning eye and strategic prowess.



# BUSINESS NEWS HEADLINES

President William Ruto has instructed the Ministry of Cooperatives and Medium, Small and Micro Enterprises (MSMEs) to explore the integration of asset financing into the Hustler Fund. This move, as per President Ruto, aims to facilitate entrepreneurs in accessing capital-intensive assets more conveniently through the government-operated fintech platform. "Hustler Fund has not only met the substantial demand for affordable credit but has also demonstrated Kenyans' willingness to embrace credit, savings, and timely loan repayments with minimal prompting," stated President Ruto during the State of The Nation Address on Thursday. He criticized the unjust financial profiling that portrays Kenyans as not creditworthy or high risk, terming it a needless self-fulfilling prophecy. Since its launch as the Financial Inclusion Fund on November 30 last year, the platform has disbursed KSh 36.6 billion, with KSh 2.3 billion in savings by October 2023. The Fund boasts 7.5 million repeat borrowers with an overall repayment rate of 73%. The group product on the platform has attracted 50,000 groups, with 20,000 accessing KSh 151 million.

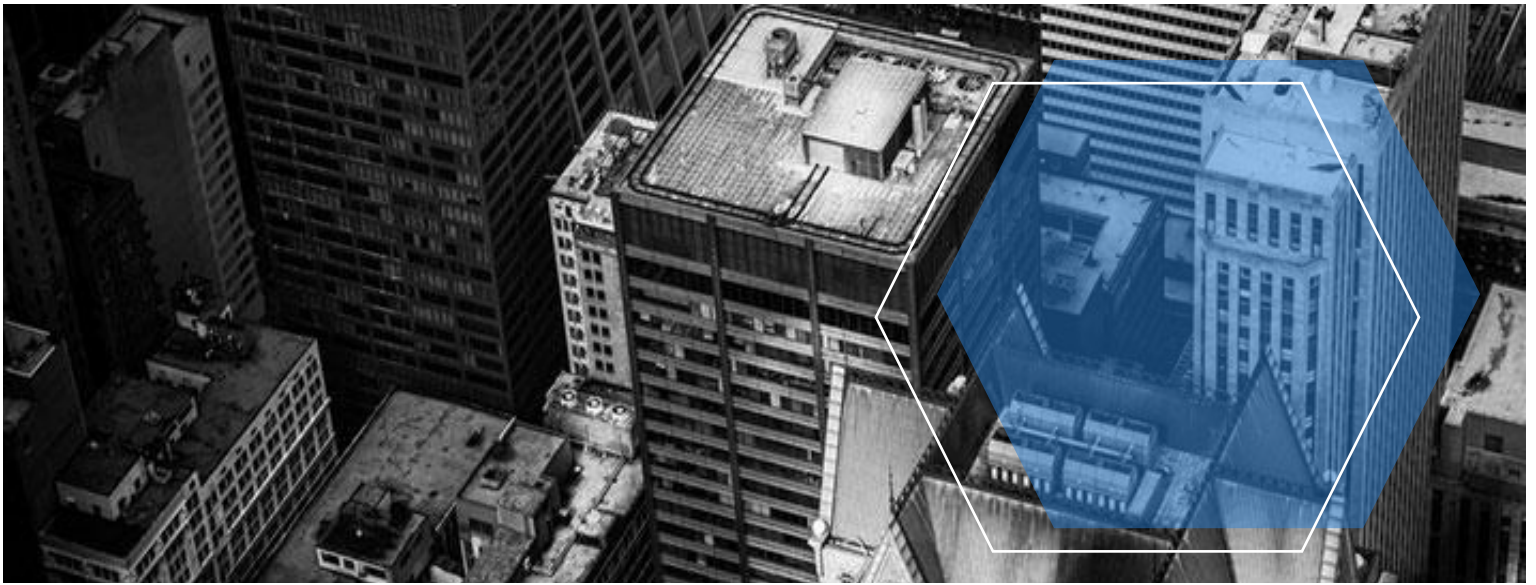
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However, the Treasury has indicated a nearly 50% reduction in the budget for the Hustler Fund, lowering it to KSh 5 billion in the latest budget adjustments from the initially allocated KSh 10 billion by Treasury Cabinet Secretary Njuguna Ndung'u in June for 2023/24.

The Kenya Revenue Authority (KRA) is actively pursuing transaction data for tax compliance from Airbnb owners for the period between 2021 and 2022. In collaboration with the Irish Tax Authority (Irish Revenue), KRA has formally requested specific information from Airbnb Ireland UC, the data controller for all Airbnb users in Kenya. The Irish Revenue will notify each Kenyan Airbnb host of the data-sharing arrangement with KRA. This measure reflects KRA's ongoing efforts to enhance tax compliance in the growing short-term rental market, aligning with the broader strategy to meet ambitious revenue collection targets. Airbnb, a global short-term rental platform, has recently recommitted to Africa's tourism industry by establishing a \$500,000 fund supporting economic empowerment, digital access, and sustainability initiatives in the region.

Kenya's recent supplementary budget reveals a significant policy shift, emphasizing debt servicing and investments in key sectors like education, health, and agriculture over development-led expenditure. Infrastructure budgets have been reduced, indicating a transition from government-led growth to private sector-led growth, expected to benefit the real economy. Total debt servicing increased, reflecting the impact of the depreciating shilling. Shifting focus to existing assets and prioritizing debt servicing signals positive credit standing and may enhance future financing access. While this transition may face short-term challenges, supporting private sector-driven growth is seen as a positive move for long-term economic benefits.

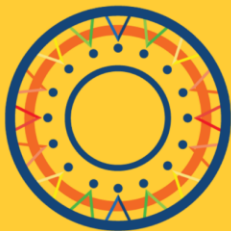
British International Investment Plc, the UK government's investment arm, is divesting a 10.13% stake in I&M Group to East Africa Growth Holding. This sale involves the transfer of shares in I&M Group Plc, a listed entity headquartered in Kenya, to the investment vehicle created by Africinvest Fund IV LLC. The completion of this transaction is contingent upon regulatory approvals in Kenya and other jurisdictions where I&M Group operates, including Tanzania, Rwanda, Uganda, and Mauritius. Stakeholders are advised to exercise caution during this transitional period, emphasizing the need for regulatory clearance before finalizing the deal.



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In conclusion, navigating the dynamic business landscape requires recognizing that evaluating performance is more than a routine task—it serves as the compass directing both entrepreneurs and seasoned professionals toward sustainable success. This article has explored the intricacies of this crucial process, emphasizing its role in shaping the trajectory of businesses. Businesses are urged to comprehend the significance of evaluating their performance, akin to peering into a crystal ball for clarity on the current state, future trends, and areas for improvement. Key Performance Indicators (KPIs) stand as the North Star, offering measurable benchmarks for success, from financial health to operational efficiency and market positioning. The holistic approach extends to adaptability, recognizing it as the cornerstone of longevity, and embracing data-driven decision-making in the era of big data. Continuous improvement, woven into a business's DNA through regular assessments, fosters a culture that propels the enterprise on an upward trajectory. As a transformative journey, evaluating business performance is not merely a task but an expedition from financial intricacies to market dynamics, contributing to the grand narrative of success. Embracing this holistic approach positions businesses to not only weather storms but to emerge as industry leaders. Fellow professionals, let's embark on this journey armed with insight and driven by the pursuit of excellence, as the business landscape eagerly awaits our discerning eye and strategic prowess.

Thank you for staying updated with our newsletter, and we look forward to bringing you more essential business insights in future.



### **BUSINESS MONTHLY NEWSLETTER**

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