

## Demonstrating the Potential Role of Transnational Diaspora Entrepreneurs

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### Abstract

Business acceleration is essential for guiding enterprises through 'business adolescence' and into 'business maturity' stages of their development. This presentation will revisit the concept of business acceleration, to discuss how it is related to the concept of business development, and to review the roles that transnational diaspora entrepreneurs (TDEs) can play in the process of business acceleration in the African context. Three points, which mark reality in literally all African countries, set the paper's accent: First, for both for new and growing firms, in literally all African countries, access to capital is a big challenge. As a result, self-financing is the main source of business finance for the overwhelming majority of entrepreneurs. TDEs own financial capacities, business knowledge & skills and strategic networks as well as linkages to business financing institutions can be leveraged to overcome this challenge. Second, there is an evident void in terms of business knowledge and skills. For instance, business plans usually do not satisfy the stringent criteria for business financing. Moreover, empirical studies suggest that finance per se is not the central issue of Africa's venture's success or failure; rather, the entrepreneur's knowledge and skills, which hinder them to articulate business ideas properly and consequently, limit their chances to access finance. In this case as well, empirical evidence demonstrates that TDEs possess the requisite business knowledge and skills which can be tapped to benefit the African entrepreneur. Third, TDEs are usually engaged in strategic networks. These networks contribute to business acceleration, by addressing market gaps associated with, inter alia: business knowledge and skills, business transaction costs, efficiency in resource use, etc. In contrast, African firms lack this aspect of strategic social capital, which is obviously, one of the necessary conditions for success in business. The discourse on leveraging TDEs to accelerate business in Africa therefore builds on three key business assets, which TDEs possess: access to business financial resources, broad and in-depth business knowledge and skills, ownership and/or social capital in the form of strategic networks. The discourse focuses on and demonstrates the potential for the TDEs to induce business acceleration through three channels: improvement of the scale of business, improvement of scope of business, and diversification of (both factor and product) markets.

**Keywords:** *Access to capital, business knowledge and skills, strategic networks*