This research was an exploratory study of the challenges and opportunities facing women entrepreneurs in Micro and Small Enterprises (MSEs) in the textile business in Nairobi, Kenya. The purpose of the study was to establish the extent to which technical and entrepreneurship skills acquired by women within the informal sector were being applied in their textile businesses, in order to address issues related to challenges and opportunities within the business environment. Data were gathered from 40 women entrepreneurs in Nairobi and its environs using a survey research design. It involved qualitative and quantitative approaches in data collection and analysis. Direct reporting of entrepreneurs' experiences was often used. Descriptive statistics were also used to present the data collected and analyze. The findings revealed that entrepreneurship training significantly enhanced business growth in the textile MSEs. The study also established that the entrepreneurs' capacity to deal with challenges while exploiting available opportunities, had led to their ability to contribute to the national economy. The major opportunities open to the entrepreneurs were education and training, enactment of African Growth and Opportunity Act (AGOA), revival of the East African Community, liberalization aid empowerment of women through access to credit and marketing information. The entrepreneurs were found to be exploiting these opportunities to the full in order to maximize business growth. The major challenges facing the entrepreneurs included lack of markets, inappropriate physical infrastructure, lack of appropriate modern technology, limited access to credit and financial services, unfavourable taxation regime and inhibitive legal and regulatory environment. To address these challenges, key recommendations were made targeting policy makers and the entrepreneurs themselves. Some of these recommendations included policies to (a) facilitate the revival of the cotton industry, (b) make the public procurement system create a demand for MSF products by setting up a reasonable percentage of its purchases to be sourced from the, MSE sector (c) address the security of tenure issues to ensure local authorities allocate land to MSE operatives during planning activities (d) address the issues of high taxes and bureaucracy particularly in relation to import and export activities. On the part of the entrepreneurs, it was recommended that they needed to make a deliberate shift to value added products, in order to transform the textile MSE sector so that it fits into the new world competition order. Another recommendation to entrepreneurs was the formation of networks, linkages and associations that would facilitate (a) lobbying and advocacy activities, (b) sourcing of raw materials in bulk so as to save through combining costs. Other key recommendations to the entrepreneur were on quality issues and the importance of diversification of enterprises, market products and services. It was concluded that training women entrepreneurs in the textile MSE sector resulted in the realization of business growth indicators, such as business expansion, employment creation, local and export market penetration, increase in sales, new investment undertakings, effective business and financial management, access to technology, technical improvements, diversification of products, development of new products, improvement of product designs and formation of networks, linkages and Associations.