

## Product Description 1: 6-month BDS Cycles - Business Development Services (BDS)

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### 1. Summary

Start-ups and existing businesses are supported by trained BDS facilitators and BDS providers in a six-month time period to implement self-help and additional support activities solving their main business constraints.

This tool can be adapted to different target groups

- BDS cycles as follow-up system for start-ups after initial entrepreneurship trainings;
- Counselling of micro, small and medium enterprises by regular assistance and advice.

### 2. Basic features

The demand driven 6-month BDS cycle approach is a participatory method comprising of situation and problem analysis and action planning (one month) and the implementation of services to overcome the identified business constraints (five months). The business owners are assisted by BDS facilitators of partner organizations to identify their main business constraints and to suggest own solutions. The BDS facilitator assists them with refining the owners' proposals and forwards additional problem-solving service interventions in collaboration with public and private BDS providers.

**Procedure:** Every BDS facilitator identifies 15 businesses for a six-month BDS implementation period. In the first month discussing problems and solutions (needs assessment) in the next five months based on an action-plan supporting the businesses to solve their constraints. In the next 6-month cycle another 15 businesses are identified for further support. The number of BDS facilitators and businesses supported depends on the number and capacity of partner organizations involved.

The **situation analysis overview** for 10-15 enterprises contains the following issues:

Situation of selected enterprises in .....					
Name / Activity Place / Equipment	Products / services	Supply / Sales / Clients / Marketing	Personnel / Business Management	Costs per month (Birr)	Problems identified by the owner himself and his proposals of solutions
Business owner 1					
Business owner 2					

By the help of a situation analysis overview, the facilitator documents the situation and problems of e.g. 10-15 operators and transfers it into a five-month **action plan**:

First 5-month action plan of BDS delivery in ..... (e.g. March 2007 to July 2007)			
Name / Activity	Problems identified by the owner himself	Proposals of action	
		Self-help initiative of the operator	Additional support by the BDS provider
Business owner 1			
Business owner 2			

Filled example of situation analysis and action plan see **BDS approach - short profile** for download on [www.bds-forum.net/download.htm](http://www.bds-forum.net/download.htm) (toolbox)

**Type of support:** Depending on business owner's needs - marketing research, product development, business planning, accounting and cost calculation, access to finance, support for administrative problems, tax problems, premises, trade fair participation, export-import procedures, research for equipment supply, linkage to technical trainings, organizational development of business associations and chambers etc.

**BDS providers:** Main task of the BDS facilitator is not to solve the business constraints by himself but to link to competent professional BDS providers, such as training centers, marketing specialists, trade fair organizers and chambers of commerce etc.. Small support activities, e.g. initiate and follow up a simple cash book implementation can be done by the BDS facilitator himself but important problems will only be solved in collaboration with professional public and private service providers.

**Follow-up and supervision:** If problems of some enterprises could not be solved within the 6-month period, the partner organization will assign one of the BDS facilitators to leave the normal BDS cycles and to take over only those entrepreneurs from the previous cycle who need further support. We call these facilitators "follow-up" facilitators. If the partner organization has a lot of BDS facilitators, then it should assign the best one to leave the direct business support and to take over the supervision of the BDS facilitators. We call him BDS team leader.

**Monitoring and Evaluation:** All businesses involved and type and number of support activities are documented in the initial situation analyses and action plans of the BDS facilitators. At the end of the 6-month cycle, facilitators write a simple report on their achievements:

<b>Name of Business</b>	<b>Support activities identified</b> (repeat the actions of your last action plan with the same numbers)	<b>Support activities achieved</b> (only your real achievements)	<b>Impact and remarks</b> (reasons for failure)
Business 1			
Business 2...			

Project staff will write a summary of the businesses involved and type and number of support actions achieved (make an Excel sheet overview). Overall impact monitoring is done once per year by an independent local consultant (see product 5: M+E for projects). In addition, partner organizations can organize specific SWOT meetings with entrepreneurs involved in order to analyze impact of their support given (see product 6: M+E for partner organizations).

**Examples:** 500 BDS facilitators of 20 partner organizations in Ethiopia supporting more than 9,000 businesses in two 6-month BDS cycles per year (see [www.bds-ethiopia.net](http://www.bds-ethiopia.net)). 24,000 artisans and crafts supported together with the Federation of Artisans and Crafts in Mali (see [www.mali-business.com](http://www.mali-business.com)). Follow-up of CEFE start-ups in Tunisia in all regions of the country together with the Tunisian Manpower Agency (see [www.bds-forum.net/tunisia](http://www.bds-forum.net/tunisia)).

### 3. Benefits, impact, scope - problems

- The BDS cycles are really demand-oriented because based on a participatory needs assessment together with all business owners involved.
- If common problems of businesses involved are identified, group support and networking activities are possible.
- Business Development Services (BDS) can be implemented in a short period of six months (one week for training of BDS facilitators, one month for needs assessment and then follow-up of the five-month implementation period).
- BDS facilitators must link to professional service providers in order to solve important problems. Linkage is the main task of BDS facilitators, even if minor problems can be solved immediately by themselves.
- After six months a complete cycle can be evaluated and documented.
- All BDS facilitators are paid staff of the partner organisations (sustainability).
- Fields of intervention: BDS is used in value chain development in order to overcome identified constraints of the chain members involved; BDS is used in industrial cluster development, in sector specific and gender specific interventions and as follow-up system for start-ups after initial entrepreneurship trainings.
- Problems: Because of sustainability, BDS facilitators should be identified from existing staff of partner organizations. These staffs are not very experienced and have only a low level qualification profile. Therefore permanent follow-up and on-the-job training in the first four BDS cycles is necessary.

The BDS cycle approach has been proved to be successful by external evaluations of GTZ in Mali (1999 Gerhard Ebert) and Ethiopia 2005 (Chris Reichert, Sonja Kurz).

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#### 4. Implementation process

- Commitment of SME development partner organisations, 3-day orientation workshop for decision makers.
- Training of BDS facilitators in a 5-day action-oriented training workshop for implementation.
- Regular follow-up and training on-the-job of BDS faciitators by the project staff and documentation.
- Collaboration with professional services providers is necessary in order to solve concrete problems.

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#### 5. Costs

- 3-day orientation workshop for decision makers and 5-day training workshop for BDS facilitators by an external consultant.
- Partner organizations have to calculate a budget for their BDS staff including transport costs. No additional salary costs for staff, because in general existing and paid staff is used.
- Quarterly network meetings to be financed for experience exchange of decision makers and BDS facilitators.
- Business information materials (handbooks, CD-ROM and webpage) with the necessary background information for business counselling (taxation, marketing, business planning etc.)

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#### 6. References

- The BDS cycles with public and private partner organisations and trained BDS facilitators have been implemented in Mali with the National Federation of Artisans and Crafts from 1996-2001, in Tunisia in all regions of Tunisia together with the public Tunisian Manpower Agency since 2002 and in Ethiopia with 20 public and private partner organisations including the regional City Chambers from 2001-2006.
- The product has been standardized and detailed product descriptions, evaluations and success stories are available.
  - BDS Forum [www.bds-forum.net](http://www.bds-forum.net) with all strategies, tools, handbooks, training manuals, newsletters, BDS portals and BDS success stories available. Especially [www.bds-forum.net/trainings.htm](http://www.bds-forum.net/trainings.htm) with training manuals, [www.bds-forum.net/toolkit.htm](http://www.bds-forum.net/toolkit.htm) with the BDS toolkit and [www.bds-forum.net/handbooks.htm](http://www.bds-forum.net/handbooks.htm) with business information handbooks.
  - BDS Success stories [www.bds-forum.net/success-stories.htm](http://www.bds-forum.net/success-stories.htm)
  - Business information handbooks Ghana for download on [www.ghanabusiness.org](http://www.ghanabusiness.org)
  - Ethiopian BDS Network [www.bds-ethiopia.net](http://www.bds-ethiopia.net) with all implementation documents available for download.
  - Ethiopian Chamber of Commerce [www.ethiopianchamber.com](http://www.ethiopianchamber.com) BDS information for chamber members.
  - BDS portal Senegal [www.senegal-entreprises.net](http://www.senegal-entreprises.net) with business information on business planning, entrepreneurship development, accounting and cost calculation, marketing, trade fairs, import-export, access to finance and capacity building of partner organizations.
  - Mali-Business [www.mali-business.com](http://www.mali-business.com) Business information portal in Mali.
  - SME promotion in Tunisia [www.bds-forum.net/tunisia](http://www.bds-forum.net/tunisia) including case studies of enterprises involved.

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#### 7. Contact

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