

Six-Pack for SME Development

Small and Medium Enterprises (SME)

Six product descriptions on

- The 6-month BDS Cycle Approach
- BDS Internet Portals and Learning Platforms
- Organizational Development of Partner Organizations
- Networking with SME Development Organizations
- Monitoring and Evaluation (M+E) of international Projects
- M+E with local Partner Organizations

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Also available for download on www.bds-forum.net/download.htm

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 (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:

| Name of Business | Support activities identified (repeat the actions of your last action plan with the same numbers) | Support activities achieved (only your real achievements) | Impact and remarks (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). 24,000 artisans and crafts supported together with the Federation of Artisans and Crafts in Mali (see 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).

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).

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 facilitators by the project staff and documentation.
- Collaboration with professional services providers is necessary in order to solve concrete problems.

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 existing and paid staff should be 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.)

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 with all strategies, tools, handbooks, training manuals, newsletters, BDS portals and BDS success stories available. Especially www.bds-forum.net/trainings.htm with training manuals, www.bds-forum.net/toolkit.htm with the BDS toolkit and www.bds-forum.net/handbooks.htm with business information handbooks.
 - BDS Success stories www.bds-forum.net/success-stories.htm
 - Business information handbooks Ghana for download on www.ghanabusiness.org
 - Ethiopian BDS Network www.bds-ethiopia.net with all implementation documents available for download.
 - Ethiopian Chamber of Commerce www.ethiopianchamber.com BDS information for chamber members.
 - BDS portal Senegal 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 Business information portal in Mali.
 - SME promotion in Tunisia www.bds-forum.net/tunisia including case studies of enterprises involved.

7. Contact

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Product Description 2: Internet based BDS Information and Learning Platforms

Summary - Basic features - Benefits, Impact, Scope -
Implementation process - Costs - References - Contact

1. Summary

Different BDS and business information media - such as Internet BDS Portals, CD-ROM BDS Portals, Email based BDS newsletters and printed handbooks - provide the necessary background information for business counselling, strategy discussion, experience exchange and networking on meso level. They complete the Business Development Services (BDS) of public and private BDS providers on enterprise level.

2. Basic features

Target groups are not in first line the final beneficiaries, the micro and small entrepreneurs, because often they do not dispose of Internet connection and even not of computer facilities. Target groups are the intermediary public and private SME development structures and their business advisors involved:

- BDS facilitators, business consultants and business advisors using the information on enterprise level. Background information, formats and templates, e.g. business plan templates, cash book formats, cost calculation procedures are downloaded and used for business counselling.
- SME development partner organizations, network members and representatives of business associations and chambers for experience exchange and strategy discussion.
- The international donor community for strategy, coordination, collaboration and replication.

Different media for BDS dissemination and Business information are in use:

- Internet based BDS Portals: Web pages including information on BDS strategies, lessons learnt, capacity building and networking of partner organizations, directory of SME development institutions, chambers and financial institutions as well as sector specific information on textile, leather, food, construction, equipment supply and business information services on business creation, women entrepreneurs, business planning, accounting and cost calculation, marketing, product development, trade fairs participation, import-export guide, taxation procedures, loan conditions of banks and micro finance institutions, laws and regulations, standards and quality, trade opportunities, vocational training. Library with sector studies, monitoring and evaluation, toolkits and handbooks etc. for download. (see www.bds-ethiopia.net, www.ghanabusiness.org, www.senegal-entreprises.net, www.start-your-business.net, www.srp-quinee.org, www.ageval.org).
 - CD-ROM: Even BDS facilitators often do not dispose of Internet connection. That is why, the BDS and business information portal including the webpage, handbooks, formats and templates is half-yearly updated and copied on CD-ROM and distributed to partner organizations.
 - E-mail based monthly BDS newsletter: A monthly e-mail based BDS newsletter is sent to more than 500 members and resource persons of the BDS network including updated information, events, strategy discussion and presentation of BDS tools as well as reminding the BDS Portal address (see newsletters on www.bds-ethiopia.net/news.htm).
 - Business Information Handbooks: The most important business information services developed within the webpage development are revised, printed, published, distributed to partners and sold in the national book shops, thus creating an income generating activity for the national Chamber of Commerce or other partner organisations (see handbooks on www.bds-forum.net/handbooks.htm).
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3. Benefits, impact, scope

- BDS information and learning platforms centralize all scattered business information and SME development information thus creating a national database of all private sector development relevant information and activities in the respective country in a sort of a "**virtual first stop shop**".
- BDS portals provide the necessary information for all kind of SME development on the ground, e.g. business counselling, value chain development, clustering, experience exchange and networking, import-export and supply facilities etc.

BDS Portals and learning platforms can be transferred wherever SME development partner organizations are willing to collaborate and share information. If partner organizations work together for a BDS portal development then you are already running a sort of networking activity.

4. Implementation process

You need:

- Commitment of involved SME development partner organizations and willingness to share information.
- Existing implementation of experienced SME development structures with business counselling on the ground delivering interesting practice relevant information and using the background information offer.

Implementation procedure:

- The BDS, business information and learning platforms are implemented in collaboration with SME development partner organizations coming together in national SME development networks.
 - Information needs are identified and data collection agreed.
 - National consultants together with partners are assigned to collect information for specific issues, e.g. taxation, business registration or loan conditions:
 - Contact respective institutions (tax authority, import-export agencies, marketing structures chambers of commerce), explain your purpose and get data.
 - Look for documents and publications.
 - Make a country specific Internet research on private sector development issues.
 - International consultants supervising the contents development, designing the BDS portal and training local staff finalizing the BDS portal. Publishing of handbooks is based on the website content: first publish website content, then improve content and then finalize for printed publications.
 - Because of sustainability, the webpage design should be based on a simple webpage code without any “Gimmicks” in order to enable simple low-cost staff to update the BDS portal even after project’s end; e.g. our former project secretary has been taken over by the Ethiopian Chamber of Commerce and been trained for updating of all web pages of the national BDS network.
 - One of the partner organizations should be trained and assigned as “webmaster” and be responsible for further webpage development.
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5. Costs

- 4-6 weeks consultancy for webpage design and implementation including content development, data collection and revision together with project staff and partners.
 - Costs for webpage hosting are not important - about 20 Euro per month.
 - If the webpage design is simple and adapted to local capacity, the update can be assured by local partners without using professional web page designers - thus running costs are low.
 - Web page hosting and low-cost staff can be financed by income generating advertising - see advertising companies on the homepage of www.ethiopianchamber.com financing the BDS network web pages.
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6. References

BDS portals, CD-ROM based business information and printed business information handbooks have been standardized and implemented in different countries:

- www.bds-ethiopia.net BDS and business information portal together with the Ethiopian SME development organizations. The BDS portal has more than 20,000 visitors per month (50% Ethiopia, 50% from abroad); various templates like business plan templates and cash book formats are downloaded and in use. The Ethiopian business information handbooks are sold in national book shops (see www.bds-forum.net/handbooks.htm).
- www.senegal-entreprises.net, a new BDS portal in Senegal (French language). One of the most comprehensive national portals worldwide together with the Ethiopian portal. Directory of support institutions and finance, strategies in private sector development, microfinance and vocational training, business information services (trade fairs, marketing, business planning, bookkeeping...). 2,500 visitors in the first month, upward tendency.
- www.ghanabusiness.org BDS and business information in Ghana together with the national network of small business consultants.

- www.mali-business.com Business information together with the national Federation of Artisans and Crafts of Mali.
- www.ageval.org Information and learning platform for business consultants and evaluators in Guinea Conakry with manuals for M+E of World bank, GTZ, ILO, UNDP and others for download (see www.ageval.org/docs.htm).
- www.srp-guinee.org Information portal on Poverty Reduction Strategies in Guinea Conakry.
- www.start-your-business.net CEFE and ILO based learning and training modules on business creation.
- www.bds-forum.net New international portal on SME development strategies and business information dissemination. 7,000 visitors per month, upward tendency.

More details:

- Powerpoint presentation on “Impact and Sustainability of ICT based BDS Portals” for download on www.bds-forum.net/bds-portals.htm
- PDF-file, German language: “Wirkung und Nachhaltigkeit von BDS Portalen” for download on www.bds-forum.net/bds-reader/start.html
- www.bds-forum.net all about BDS portals, e-mail based BDS newsletters and business information handbooks.

7. Contact

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Product Description 3: Bottom-up Organizational Development of Partner Organizations

Summary - Basic features - Benefits, Impact, Scope -
Implementation process - Costs - References - Contact

1. Summary

The bottom-up organizational development is a simple tool to improve the service delivery performance and management of partner organizations. Start with the existing management system of the organization and improve step by step (bottom-up). Do not force an external management system to a local structure (top-down).

2. Basic features

Target structures

- Public and private Partner organizations involved in SME development.
- Business associations and Chambers of Commerce.

Approach: Partner organizations normally have at their disposal a basic management system consisting of simple planning, documentation, reporting documents and simple management elements as regular staff meetings, sharing of responsibilities and work plans. Even if these systems may exist only in an insufficient and inadequate manner, they present some organizational know-how internalised by their staffs.

Our idea is, that sustainability will only be achieved if we take up the existing know how of an organization and its staffs and try to improve it from inside with bottom-up, instead of imposing an external system. In most cases, implementing an external system top-down will be beyond the scope of a local staff.

Our approach is a mix of internal organization self-analysis and input of external know how, because it is not evident that the staffs that often have the habit to hold onto familiar systems, have an overall view of the major constraints of their structure. The following modules of organizational development will be implemented by a 3-5 day visit to the organization and its branches.

a) Situation analysis overview for capacity building. Meetings with the staffs will be agreed at different levels for group and individual discussion in order to get a non-manipulated overview of the internal situation and differing points of view. Documents, especially planning documents, reports, studies and organizational presentation will give a supplementary impression of the organization's and staffs' performance. A short overview matrix can be drawn out as follows:

| Situation analysis overview for capacity building of partner organizations | |
|--|--|
| Name of the organization and fields of intervention | |
| Staff (educational level, job description, vocational training, work experience) | |
| Infrastructure and equipment | |
| Management: planning, documentation, reporting, studies | |
| Products and services for the business operators / target group | |
| Staff's proposals on how services can be improved | |
| Problems identified by the staffs themselves | |
| Staff's proposals to overcome identified problems | |
| Remarks of the external facilitator. | |

This is a template. The final table will be more extended, probably to 1-3 pages

b) SWOT analysis. The situation analysis overview should be completed by a staff meeting on SWOT self-analysis (Strengths-Weaknesses-Opportunities-Threats) of their structure.

| Strengths | Weaknesses |
|---|--|
| What are the internal strengths of your organization / institution? | What are the internal weaknesses of your organization / institution? |
| Opportunities | Threats |
| What are the opportunities of external conditions? | What are the threats of external conditions? |

The SWOT analysis requires drafting the SWOT analysis matrix (everybody forwards his opinion on Metaplan cards) and documenting the discussion outcomes (meeting minutes).

The SWOT analysis should be done before the staff is aware of the results of the situation analysis overview. In this way the results of the situation analysis overview can be compared with the SWOT analysis and distinctions and agreements can be very informative.

c) Action planning: A final staff meeting on the results will discuss the problems and make proposals to overcome the major constraints so as to bring about an efficient structure and management. The meeting will design the guidelines for the organizational development action plan.

The organizational development action plan may be a six-month action plan. It will be an agreement between the organization involved and the SME promotion project. The action plan focuses on the major problems identified by the situation and the SWOT analyses and considers the following commitments:

| Action plan for organizational development | | | |
|--|--|------------------|--|
| Problems identified | Self initiative of the staff concerned | Responsibilities | Additional support by the SME promotion project. |
| Problem 1 | | | |
| Problem 2 | | | |

d) An Office Folder is handed over to the partner organization including separators with the following titles: Mission and objectives of your agency; fields of intervention and services achieved; leaflet; activity planning, activity reports; job descriptions (see folder method outline on www.bds-ethiopia.net/approach-foldermethod.html). The partner organization has to fill the folder with the respective documents. If, for instance no documents are available for “services achieved”, we will know that there is a problem in implementation of services. The project staff or BDS advisor will make quarterly visits in order to take a look on the folder and give advice in case of insufficiencies or lacking documents.

3. Benefits, impact, scope

Situation analysis and SWOT analysis are simple tools to analyse the organizational structure. The “Folder method” is a simple tool for internal self-organizing as well as for external presentation of the respective organisation to other partners. All important fields of intervention and the management structure are documented in a centralized manner - no problem to find and present them immediately if necessary! External evaluators like it!

Above all, we are convinced that project management systems of international cooperation projects will rarely be suited to national, regional or local partner organizations. Organization and management of an international project are characterized by a high input of external management know how and expertise with high financial inputs, which may not be the case in a national or local structure.

With this in mind, we suggest a strategy of institution development to improve the existing structures and management systems bit by bit through a tailor made medium-size system that ensures sustainability in the long run even after our project intervention phases out in time to come.

4. Implementation process

Organizational development should be done step by step: Existing planning, reporting and evaluation documents should be improved and not be rejected and replaced by external formats. Services to business operators should be analysed, improved and extended bit by bit.

The facilitator should agree to make regular meetings and contacts with the organization to be involved until a certain progress on the basis of the organizational development action plan has been achieved.

- A situation analysis overview should be elaborated through talks with the staffs on different management levels.
- An initial SWOT analysis together with the partner organization will identify Strengths, Weaknesses, Opportunities and Threats of the partner organization. Respective activities will be agreed.
- In addition a checklist for organizational development is handed out and discussed with the partner organization (see checklist on www.bds-ethiopia.net/approach-checklist-od.html)
- All documents are filed in the organization's presentation folder.

Requirements

- The tools, e.g. checklist and folder separators, must be specifically adapted to each of the organizations involved in order to obtain the best result.
- Valuable information to fill the presentation folder must be gathered by an assigned collaborator of the partner organization.

5. Costs

- SWOT workshop of the respective organization together with the project staff.
- Follow-up visits.

No important financial inputs are necessary. First to be initiated and experienced in your own project and then to be transferred to your partner organisations.

6. References

The bottom-up organizational development including the situation analysis overview, SWOT analysis, checklist for organizational development and the "folder method", has been implemented in Ethiopia with about 30 partner organizations and proved as successful by external GTZ evaluation.

The tool can be transferred to any organizational structure - partner organization, business association, chambers of commerce.

- Product description for "Bottom-up Organizational Development" on www.bds-ethiopia.net/approach-od.html
- Checklist for Organizational Development www.bds-ethiopia.net/approach-checklist-od.html
- "Folder method" www.bds-ethiopia.net/approach-foldermethod.html

7. Contact

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Product Description 4: Networking with SME Development Partner Organizations

Summary - Basic features - Benefits, Impact, Scope, Problems -
Implementation process - Costs - References - Contact

1. Summary

Creating a Business Development Services (BDS) Network. The SME/BDS network will be a forum of experience exchange, coordination and policy dialogue between public and private institutions and entrepreneurs.

2. Basic features

Target groups

- Entrepreneurs, business associations and chambers.
- Public and private business support institutions.

Principles:

- Avoid heavily formalised structure of Network: Do not create an over-formalised network. Structures with President, Secretary, Board of directors, Membership fees etc. are not absolutely necessary for efficient networking. Main purpose of networking is experience exchange and coordination. For this, periodical meetings e.g. quarterly meetings are sufficient and should not be formalised by rules and regulations.
- Establishing a Network by self-initiative of its members: Network should evolve and should not be imposed. Efficient networks usually start with a handful of organizations that are able to develop common purpose and vision and carrying out concrete BDS activities on the ground in order to avoid a *talk show*. As the network develops, others who share the vision will join.
- Networking should be based on a clear definition of common interest or purpose. This is fundamental to a sustainable networking. It is important to clarify the interests and expectations of each member and identify common grounds on which the networking could be based.
- Offering concrete benefits to members: A network will not be sustainable if it is not offering concrete benefits to its members. Therefore the network activity should focus on what it can do for its members in facilitating their work on the ground, building their capacities, lobbying on their behalf or publicizing their work, organizing trainings, discussion workshops etc.
- The network should be able to coordinate activities of its members instead of developing parallel capacities that compete with its members, e.g. avoid boosted network budget for common activities – always the slowest one will decide on the speed; coordinate existing activities of members.

Network Management:

- One of the local partner organizations with the necessary capacity should take over the network management: organizing the periodical meetings, sending program purpose and invitation, moderating the network meeting and writing the minutes.
- The project which took the initiative should assist the local network management structure, supervising the punctual invitation, assisting for the proposal of the issues to be discussed and assisting for moderation and documentation.
- Transport and participation should not be financed by the project and should be taken over by each of the participants. Conference room, coffee and lunch break may be financed.
- For specific issues workgroups may be organized, meet in the interim of the plenum meetings and finally present their results to the next meeting.
- An Email list of all members should be available. In the interim of the network meetings a virtual network activity can be undertaken by regular Email based news to the members and interested public.
- Non-members should also be regularly informed about the network activities. Non-members today may be members tomorrow.

Example of the Ethiopian BDS Network:

- Half-yearly meetings with about 30 private and public partner organisations:
 - One day meetings with deciders and discussion of organizational, strategy and work problems, discussion of strategies and policies. Invitation of resource persons, e.g. from the tax authority or microfinance network.

- One day meetings with teamleaders of BDS facilitators discussing concrete implementation problems of the 6-month BDS cycle approach, problems in situation analysis, linkage with training centers, transport problems etc.

Between the meetings contact is held by email newsletters and visits on the ground.

The Ethiopian BDS Website www.bds-ethiopia.net is the information and learning platform of the Net.

3. Benefits, impact, scope - problems

A smooth network has a lot of advantages: experience exchange, coordination, collaboration, trainings through network work groups. Also it makes publicity for its network members. If network is really *smooth*, that means avoiding heavy organizational structures, then you will collect a lot of advantages without collecting a lot of problems.

4. Implementation process

- Before networking start BDS activities on the ground on enterprises level (business trainings and business counselling activities). At least you should have a core group of competent partner organizations in order to develop the capacity of newcomers.
 - Look for *working* partner institutions and not for "*conference professionals*".
 - Then - after BDS activities on the ground have been initiated - start networking with some partner organizations already implementing BDS.
 - Look for a partner organization taking over network management.
 - For specific issues create work groups that bring their results to the next plenum.
 - For each of the meetings you should identify one or two specific issues of common interest to discuss. Invite resource persons for competent discussion.
 - Do not over formalize networks by asking for budgets, membership fees and regulations. You will get less money and more problems!
 - Say no, if others start to propose heavy network structures with budget, general secretary, business plan and official rules and regulations.
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5. Costs

Avoid costs like big network budget. Start with smooth network structures. Quarterly or half yearly network meetings for experience exchange. All participants pay their transport and accommodation costs by themselves. Small budget for meeting room, coffee and lunch breaks. Do not agree with proposal creating heavy network structures. Those who make heavy network structure proposals - should pay.

6. References

Implementation experiences with the Ethiopian BDS Network can be transferred to any country where working BDS organizations wish to organize experience exchange.

- More on networking see www.bds-forum.net/networking.htm
 - Example of BDS network see Ethiopian BDS Network webpage www.bds-ethiopia.net
-

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Product Description 5: Implement a Monitoring and Evaluation System for Programmes and Projects

Summary - Basic features - Benefits, Impact, Scope -
Implementation process - Costs - References - Contact

1. Summary

Guideline to install a Monitoring and Evaluation system including Activity Monitoring and Impact Evaluation for international programmes and projects. Not complicate but simple - nevertheless sufficient. Do not apply this M+E system for local partner organizations, but see product description 6.

2. Basic features

Target groups: Project managers, M+E staff of SME development programmes and projects.

One problem in the recent M+E discussion is that emphasis is made exclusively on "Impact evaluation". "Activity monitoring" is too boring for a "scientific-based" M+E discussion. But in our understanding activity-monitoring is the basis of impact evaluation: How can you evaluate the performance and quality of a programme if you do not know what and how much has been done? Don't believe that activity-monitoring is that simple - we have seen many national institutions and even international projects without any activity monitoring and systematic data collection.

a) Activity monitoring in business development service delivery should at least capture the following data:

- number and type of businesses involved (by business-sector, region and gender),
- number and type of services provided,
- number and type of trainings provided and
- number and type of partner organisations involved and capacity building support given.

If we got these basic data, then we can proceed with impact monitoring.

Even the M+E system of an international development project can be a simple but efficient one: develop a system of **permanent activity monitoring** and data collection and hire a permanent local M+E officer.

b) Impact monitoring can be done periodically, once per year, using an independent local consultant.

Questionnaires focussing on impact measured by parameters such as

- income generation, increased turnover,
- business security (legal situation),
- increased employment,

on the basis of initially defined indicators. All data should be gathered in one single M+E folder organised by separators presenting the project indicators to be achieved.

In addition to that it should be assured that an **indicator based M+E system** defines right in the beginning the sources of verification and the responsible persons for data collection:

| Indicator | Reference / Source of verification | Timeframe | Responsible |
|-------------|------------------------------------|------------------------------------|----------------------|
| Indicator 1 | Where can we find the data? | When should we collect the data or | Who will collect the |
| Indicator 2 | What kind of documents must be | collect the data or | data for this |
| ... | elaborated to compile the data? | organize evaluation? | indicator? |

... but projects often postpone filling the last three columns with the effect that nice initial planning documents are waiting for nothing to be checked.

c) M+E Documentation. All M+E documents should be centralised in one office folder and one office box (for big documents). The M+E folder will be organized by separators presenting the following structure:

- Initial planning documents: Project Planning Matrix, Plan of Operations.
- One separator for each of the indicators (e.g. 12 indicators - 12 separators)
- Project reports: Activity reports, Project Progress Review, Impact study

Behind all separators the respective documents should be filed. Especially for the indicators, put all documents proving the achievement of the indicators. Put the big documents into the M+E box.

3. Benefits, impact, scope

You will get a simple but complete Monitoring and Evaluation system including activity monitoring, impact evaluation and a very efficient M+E document management (folder method). While activity monitoring has been done by your permanent M+E officer, impact study will be done by an external local consultant.

All necessary preconditions for an external evaluation are together. When external evaluators will come, hand them over the M+E folder and don't worry.

4. Implementation process

- Don't think that activity monitoring is not necessary and easy.
- Don't wait for M+E implementation. The M+E system should be initiated in the first three, at least in the first six months of the project implementation.
- M+E is not a half-time job, if you have other jobs, you cannot do it!
- In most cases you have to hire a local permanent M+E officer who assures systematic and permanent data collection. Projects without an M+E officer are regularly in mess!
- Make sure that the planning documents are well done, complete and available.
- Start to open an M+E office folder in order to centralize all M+E data in one folder.
- Assure the regular update of the M+E folder.
- Assure periodical impact assessments by a local external and independent consultant.

5. Costs

- Full time local M+E officer
- One local consultancy month per year for impact study

6. References

Has been implemented with the following projects:

- Support to the National Federation of Artisans and Crafts in Mali (FNAM/GTZ; 1995-2004)
- SME development project Ethiopia (GTZ), see www.bds-ethiopia.net/m-and-e
- SNV (Dutch coopération) Value Chain Development in Ethiopia, M+E document see www.business-ethiopia.com/download/6-m+e-report-7-05.pdf

Can be transferred to any project and programme willing to initiate effective Monitoring and Evaluation on a cost and work effective basis.

- Product description for "Monitoring and Evaluation System" on www.bds-forum.net/m+e.htm
- M+E documents for download, Checklist for M+E, lessons learnt www.bds-forum.net/m+e.htm

7. Contact

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Product Description 6: Implement a Monitoring and Evaluation System with **local Partner Organizations**

Summary - Basic features - Benefits, Impact, Scope -
Implementation process - Costs - References - Contact

1. Summary

Guideline to install a Monitoring and Evaluation system including Activity Monitoring and Impact Evaluation with local partner organizations. (M+E for international projects see product description 5).

If this product is too simple for you, make it complicated and you will fail!

2. Basic features

Target groups: Local public and private partner organizations, chambers of commerce, NGOs

Efficient M+E systems include activity monitoring as well as impact evaluation. Activity monitoring is the basis of impact monitoring: How can you evaluate the performance and quality of an organization if you do not know what and how much has been done?

a) Initiate basic document management: Before encouraging partner organizations to implement an M+E system, initiate first the "folder method": Give them an office folder with separators of the main issues of the organization: Mission, fields of intervention, services to our target groups achieved, planning documents, activity reports, leaflet, job descriptions etc. (for more details see [product description 3](#) "Bottom-up Organizational Development of Partner Organisations"). This office folder will be a type of presentation and self-organizing folder of the organization.

b) Initiate M+E document management: Parallel to the presentation folder initiate a second folder - the M+E folder. Do not give any details, just ask to fill the folder with the existing M+E documents. When both folders are filled, let's say after an initial time period of two months (meanwhile ask every two weeks if the respective partner organization is filling the folders), then you will know the capacity of the partner organization in service delivery as well as in document management and M+E management. Wherever possible take the existing M+E document and try to improve it.

c) Reorganize the M+E folder: There are some basic characteristics of M+E that should be visible in the M+E folder, even that of a basic local partner organization.

- **Organize activity monitoring:** The documentation should show what and how much has been done with whom and when. Discuss basic data collection with the partner organization. Probably they will suggest a wonderful data collection system with 1,200 data to be collected. Ask them to downsize in order to get a realistic data collection system which can really be managed by one of their collaborators (in product description 5 you can get some ideas for data collection for interventions in SME development).
- **Organize impact evaluation:** If indicator-based M+E systems are appropriate for international development projects with the necessary resources, we do not impose these project M+E systems on our partner organisations. Encourage the partner organization to hold periodical meetings with the business owners involved in order to discuss the strengths and weaknesses of the support given. On the basis of activity monitoring we want to know how it was done and if there has been a positive impact.

Note: This is not a SWOT to analyze the partner organization in general (see product 3), but a specific SWOT to analyze the quality of the support of the partner organization to enterprises involved. Cards will put by the entrepreneurs themselves. Staff of partner organization deals with moderation only.

| Strengths | Weaknesses |
|---|---|
| What are the strengths of the support given? What was the impact for the businesses involved in terms of increased turnover and income, business security and employment? | What are the weaknesses of the support given? |
| Opportunities | Threats |
| What are the opportunities for support in future? | What are the threats for support in future? |

SWOT Analysis: (Strengths-Weaknesses-Opportunities-Threats) One of the simplest but most efficient and participatory tools for impact evaluation with partners is the SWOT analysis. In group discussion, put cards

on the SWOT table. In the final report, cards are classified, discussed and comments made including recommendations.

3. Benefits, impact, scope

Taking into account that your partner organizations do not have the financial and management capacities of an international project, you will know that you cannot force an international high level M+E system on a local structure. That is why basic activity monitoring by basic data collection and basic impact evaluation by periodical SWOT analysis meetings will get better results than the useless attempt to get everything.

Together with the "folder method" you will get an immediate and complete overview on the existing M+E systems of your partner organizations involved.

Note: Be suspicious about local partner organizations with a wonderful indicator based international planning system (former gift from an international partner?). Main problem will always be the limited capacity for permanent data collection and impact monitoring. Activity reports are often rather fantastic than based on hard findings.

4. Implementation process

- Agree with some core partner organizations on organizational development and M+E system development.
 - Start with the folder method (see product description 3). Hand over an office folder to collect the main data of the partner organization.
 - Hand over an M+E folder to collect the main M+E documents.
 - Agree a system of basic data collection for activity monitoring.
 - Initiate SWOT analysis meetings of partner organizations together with their respective target groups (this SWOT has to be done by the entrepreneurs and not by the BDS staff).
 - Help to reorganize the M+E folder.
 - Planning documents
 - Activity reports and data collected
 - Impact evaluation by SWOT analysis overviews.
-

5. Costs

- The partner organization should finance one permanent M+E officer.
- Small budget for visits to partner organizations and meetings.

No higher costs necessary.

6. References

The Folder method for organizational development and basic M+E systems have been implemented in Ethiopia with about 20 partner organizations, members of the Ethiopian BDS Network.

www.bds-ethiopia.net/approach-od.html

www.bds-ethiopia.net/approach-foldermethod.html

www.bds-ethiopia.net/approach-checklist-od.html

Complete manual for SWOT analysis: www.bds-forum.net/download/swot-analysis.doc 116 Kb.

7. Contact

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Business Development Services

BDS Success Stories



Andinet Car Wash Service Association, Addis Ababa

Problems:

- 12 unemployed 12th grade complete students looking for jobs;
- No business idea; no start-up capital; no working premises.

Support given by BDS facilitators and BDS providers:

- Supported in business idea generation;
- Organizing in cooperative;
- Sub-city provided premises and cleaned space;
- Linked to micro finance and got credit;
- Bought some equipment and built premises;
- Opened car wash and shop for oil etc.
- Record keeping provided.

Impact:

- 12 cooperative members employed; regular income.



Hibir Municipal Waste Disposal, Addis Ababa

Problems:

- 137 unemployed youth (90% women);
- Waste disposal jobs despised;
- Waste disposal in short supply;
- Lack of start-up capital and working facilities.

Support given by BDS facilitators and BDS providers:

- Organised the 137 youth in two groups of cooperatives;
- Agitated the youth to accept cleaning job like any other job;
- Credit facilitated by linking to MFI;
- Linked to 1,200 clients for marketing the cleaning services.

Impact:

- 137 jobs secured with regular income;
- Residents of Addis Ketema get cleaning services;
- 1,200 clients paying 3-20 birr/month secured.



Dawit Ejigou, Production of hollow-blocs, Addis Ababa

Problems:

- Construction graduate without job;
- No start-up capital;
- No working premises.

Support given by BDS facilitators and BDS providers:

- City administration provided land for production;
- Linked to micro finance and got credit;
- Bought hollow-bloc machine from Selam technical center;
- Entrepreneurship training provided;
- Market-link to the municipality for sales of blocs for public toilets;
- Minimising costs by using waste water from the hill.

Impact:

- Owner got self-employed;
- 12 workers employed;
- Income is good, because of low production costs, good quality and marketing support.



Women Association for local Food Processing, Addis Ababa

Problems:

- 22 women without regular job;
- No start-up capital;
- No premises.

Support given by BDS facilitators and BDS providers:

- Organised in cooperative;
- City administration provided space for production;
- Linked to micro finance and got credit;
- Shop constructed by the women;
- Advised for savings to buy facilities for events like weddings;
- Linked to institutions like sub-city agriculture office for sales.

Impact:

- 22 women employed with regular wages;
- Based on sales and savings, business is to be extended and more workers will be employed;

- Assets grown (facilities for cooking and food/beverage services)