Review of Short Projects supported by the Business Innovation Facility

The Business Innovation Facility helps inclusive businesses to develop and thrive. It supports a diverse portfolio of business ventures in five countries – Bangladesh, India, Malawi, Nigeria and Zambia. The aim is to catalyse successful businesses that deliver both commercial return and social impact.

Introduction

The Business Innovation Facility (BIF) offers two types of support. Long term technical support is offered to companies on a cost-sharing basis. In general, this support can last between three and six months. The providers of technical assistance are often deeply involved with the company for the period of time. The impact of the support is carefully monitored and evaluated. We call these ‘Long Projects’.

BIF also offers short term technical support. This is provided to a company, or a cluster of companies on one aspect of their business venture. This short term support (up to 20 days) focuses on helping them to overcome an immediate bottleneck or to seize an opportunity. We call these ‘Short Projects’.

As BIF moves into the final year of operation, we have completed a review of these Short Projects to understand their ‘make up’, the nature of BIF input and the direction of progress.

In total, across all pilot countries, 57 Short Projects had been selected for support at the time of our analysis. Of these, 38 projects are receiving support to individual companies (“one-to-one”), and 19 projects are delivered to more than one company in the form of workshops and events (“one-to-many”). So far, 12 of these projects have subsequently applied and been selected for longer, more substantial support from BIF.

Short term technical support

Short term support is provided to a company if both of the following elements are present:

- There are clear commercial drivers and the business proposition has potential for both commercial returns and social impact.
- The company, or a number of companies, face a challenge or opportunity, which can be helped by short term support or advice from BIF.

BIF input is unlikely to engage in the operation of the business or the realisation of return. Indeed, operations may be some time ahead. Some companies are at an early ‘Go / No Go’ decision point, and input can help reach a decision on how to handle a bottleneck or opportunity, and whether or not to proceed.

Our monitoring and evaluation (M&E) of Short Projects is based on information provided by the business, supplemented by project knowledge and experience of BIF team members and the consultants who provided the support. Hard data (project size, type of beneficiary) is complemented by perceptions (of progress and potential) and used to create overall assessments. There is thus an element of subjectivity in the analysis. The resulting analysis clearly has its limitations but nevertheless the snapshot generated is useful to help us understand our portfolio and how it may evolve.

Of the 57 Short Projects, 18 have been completed (at the time of analysis). This includes 10 ‘one-to-many’ and eight ‘one-to-one’ projects. Hence, at this stage we only have completed feedback from companies and team members for a limited selection of the portfolio. Once all the Short Projects have been completed, we will produce an updated Snapshot with further analysis of outcomes and results.

“\textit{The engagement with the Business Innovation Facility was worthwhile because it helped me as the CEO reconfirm my strategy and helped me ensure I had the right checks and balances in place.}”

Client feedback following short-term support, Nigeria
The shape of the Portfolio

This review is intended to provide a clear picture of the range of Short Projects that are being supported by the Business Innovation Facility.

- What type of organisations are we working with – start-ups, domestic firms and/or multinational corporations?
- Who are they targeting at the base of the economic pyramid – producers or consumers?
- At which stage of IB development are the projects?
- What kind of support is provided by BIF?

One-to-one support

Type of company: Of the projects who have received one-to-one support, more than 50 per cent are led by domestic companies (mainly medium and large). Seven projects are led by international companies, while five projects are led by non-profit organisations.

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Company:
- domestic & medium/large
- international & medium/large
- domestic & small
- domestic & start-up/micro

NGO:
- domestic
- international

Stage of business development: In our M&E system we differentiate between six stages of inclusive business development from 'catalysing ideas' and 'design' to 'preparing for scale'. Projects are spread across all six, though with the main cluster at the ‘scoping and design’ stage.

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![Figure 2: Development stage of IB project (N=34)](image)

BOP beneficiaries: Over three quarters (78 per cent) of these projects focus on producers and suppliers as the main low-income beneficiaries. In most cases, they are engaging farmers. This is in contrast to our portfolio of longer term projects, where there is a roughly half-half split between consumer and producer focus. This producer focus reflects the fact that the majority of projects are in the agriculture & food sector. Other sectors with several short projects are energy and infrastructure.

Moringa Miracles: Innovative farming and processing techniques to commercially farm moringa leaf powder

**The input:** The Business Innovation Facility supported Moringa Miracles in the development of a business plan to attract investment, including the identification of local and export markets for the products.

**Analysis:** “The business plan and market research conducted have moved the company a huge way forward and they now can begin to find finance for their project and better understand the donor market and the inclusion of the poor in the value chain as a key proposition. As a result they are likely to make more effort to buy seed and plant trees with local communities.” (Malawi Country Team)

Guinness Nigeria: Identifying key elements of a local sourcing strategy for sorghum

**The input:** The Business Innovation Facility helped Guinness to identify the key elements of a strategy for stakeholder partnerships so that core business activities have greater social impact.

**Analysis:** “This project lead to the company embarking on developing a business case for the IB project which it will use to secure buy-in for the implementation of the model” (Nigeria Country Team)
Type of support from BIF: The main type of support provided across the portfolio is in business planning and financial modelling closely followed by demand/market/customer analysis.

When comparing our analysis with our portfolio of Long Projects, we see very similar trends for the type of lead organisation, industry sectors of operation and the type of support provided by BIF.

Views on how the Business Innovation Facility technical input helped companies on their journey

“The primary reason the Business Innovation Facility was approached was to be a sounding board on the potential effectiveness of a special group of indigenous business owners. The Business Innovation Facility has the experience to draw on credible resources who understand in great detail, what it means to work within the inclusive business terrain.”

Client feedback following short-term support, Nigeria

Indication of results: Although only a limited selection of Short Projects are complete, emerging feedback from companies and the providers of technical assistance illustrates that BIF support has had a positive impact and companies are showing further commitment to progress their inclusive business. This is also reflected in how our BIF country teams assess projects across various criteria.

As most of these inclusive business initiatives are early stage, we cannot assess results in terms of profit achieved or people at the BOP engaged. We have to use more qualitative metrics of progress and potential. The graph below in Figure 4 indicates the main 7 criteria on which projects are judged, and the aggregated results of recent scorings made by BIF team members on each Short Project.

Figure 3: Primary type of BIF support

- Over 80 per cent of the projects are judged to have medium or high value addition from BIF input. This score is based on company and technical provider feedback and observable progress inside the company.

- Over 70 per cent score medium or high on the strength of commercial drivers and the design of the business model. Indeed, 40 per cent score high. These are essential prerequisites for future success and scale, so are judged by Country Managers prior to selection, and at completion.

- Between 60 per cent and 70 per cent of projects score medium or high on the chance of going to scale, being replicated by others or causing systemic impacts elsewhere in the market system. These criteria are the most difficult to score, as so many long term factors will determine results in years to come. They provide an initial perception based score, based on in-depth knowledge of the projects and of differences between them.

Figure 4: Project rating across different categories

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One-to-many support
A third of Short Projects are those where support is delivered to more than one company – mainly in the form of workshops and events. These projects cover a range of issues from partnering for inclusive business, social impact assessment tools and approaches to climate smart agribusiness. Further information on a range of projects is available here http://businessinnovationfacility.org/page/events-page. Two examples are outlined below:

Climate-smart agribusiness workshops in Malawi & Zambia
Climate change already impacts business activity. Understanding these impacts and learning to adapt to them can help ensure BIF-supported businesses reduce their own contribution and do not suffer commercially from the impacts of climate change. In collaboration with the BIF teams in Malawi and Zambia, PwC held workshops and one-to-one consultations with BIF-supported businesses in the two pilot countries. These events aimed to help companies understand the impacts of climate change on their business – how best to respond and what sources of support are available – and support them in developing high level climate change strategies. Participants were introduced to a tool that provides a simple step-by-step process to assist small and medium enterprises (SMEs) to develop a high-level climate change strategy. The tool is also publicly available.

Social impact measurement workshop in Nigeria
How can companies gain strategic advantage by assessing and improving their social performance? This was the topic of this BIF business workshop in Nigeria. While the importance of delivering social value as well as commercial return is gaining recognition in the Nigerian business sector, few companies have applied tools that measure their impact. This event was targeted at businesses and social enterprises that are considering their social return. It highlighted the strategic significance of these issues, a range of alternative approaches that companies can use, a case study exercise, examples from Nigerian businesses supported by the Business Innovation Facility, and consideration of how to communicate social impact. http://businessinnovationfacility.org/page/event-social-impact-measurement-workshop-lagos

Analysis of feedback for one-to-many projects also shows that this type of BIF support is very well received by participants/clients.

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<thead>
<tr>
<th>Project</th>
<th>% of participants who reported the workshop useful or very useful</th>
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<tbody>
<tr>
<td>Agribusiness Supply Chain Conference, Bangladesh</td>
<td>95%</td>
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<tr>
<td>NGO/Private sector partnership workshop, Malawi</td>
<td>99%</td>
</tr>
<tr>
<td>Social impact measurement workshop, Nigeria</td>
<td>100%</td>
</tr>
<tr>
<td>Innovating for Solutions NGO workshop, Bangladesh</td>
<td>87%</td>
</tr>
<tr>
<td>Cross-sector collaboration for inclusive business, Zambia</td>
<td>100%</td>
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Additional Resources:

Summary of each Short Project, plus Project Profiles for each Long Project, can be viewed on the Project Pages of the Practitioner Hub. See: http://businessinnovationfacility.org/page/projects-landing-page-template

Climate smart agribusiness workshops, Malawi and Zambia: http://businessinnovationfacility.org/page/short-projects-malawi


For a review of the Long Project Portfolio, which includes commercial and social estimates, see the Portfolio Snapshot from July 2012: Review of the Business Innovation Facility Portfolio: Year 2 of the three year pilot, http://bit.ly/bifyear2review


Information on results of BIF support for Short Projects and Long Projects will be updated in mid 2013 and shared in new documents in late 2013. These will be posted on the Practitioner Hub, with additional details posted in the Results Network of the Hub.

For further information on the Business Innovation Facility projects and to access other publications, go to:
Practitioner Hub on Inclusive Business: www.businessinnovationfacility.org
The detailed 2012 Portfolio Review can be found at: http://bit.ly/portfolio-review-full-yr2
Contact: Caroline Ashley, Director, Inclusive Business Results: caroline.ashley@businessinnovation.org
Carolin Schramm, Monitoring and Evaluation Manager: cschramm@uk.pwc.com

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We welcome feedback on our publications – please contact us at enquiries@businessinnovationfacility.org