



SBDC Performance Appraisal

Name of SBDC: **Sahara Economic Development Organization (SEDO)**
Main Office: Tikrit
Branch Offices: Samarra, Baiji

Date Established: **April 2008**

Registration: **SEDO at the final stage of renewing its NGO registration with the Iraq NGO Directorate in Baghdad**

SBDC Maturity Stage: **Stage 3 (Stage 3 Range 92-115)**

SBDC Maturity Score: **98/150**

Assessment Date: **May, 2012 (1st Quarter Assessment, 2012)**

BDS Advisor: William Toannon

Signature of BDS Advisor:

Comments by BDS Director: SEDO has reached financial sustainability and has the potential to become fully operationally as sustainable it continues to diversifying services, including fee-based consulting services. It has recently expanded its client base to include ministries of the GOI and commercial clients and has started two new BDS services with support from Tijara performance grants. *Tijara* BDS team will provide continuous TA and work on these new fee-based services to build the capacity of the SEDO.

Signature of BDS Director:



2. Purpose of Appraisal:

The purpose of this Appraisal is to clearly evaluate the activities and achievements of the Small Business Development Centers (SBDCs) as it relates to promoting provincial economic growth and prosperity for all Iraqis.

In particular, this Appraisal is intended to evaluate the effectiveness of the SBDC's in order to judge the following:

- Expansion of the services by the SBDCs for the benefit of their communities.
- Improvements brought about in the SBDCs sustainability by access to multiple funding sources.
- Increasing the number of people able to take advantage of services of the SBDCs.

2. Major Components of the Evaluation:

2.1 Revenue Generating Activities through a program of improved product offering and services delivery

- 2.1.1 Training Programs: (HSB, HIB, Computers, Languages, business training for youth, agribusiness technical training etc)
- 2.1.2 BDS Services: (Legal Advice, Business Plans, Accounting Advice, Management Advice etc)
- 2.1.3 Community Activities: (Rental of Halls, Economic Surveys etc, feasibility studies)
- 2.1.4 Linkages with MFIs / Banks and Referrals for Loans
- 2.1.5 Summary of Impact Assessment Survey Participants Responses for that Quarter

Strengths:

- During the last quarter SEDO launched two new BDS services which have a high probability of success, complimenting training capabilities and adding revenue stream:
 - Samara – Documentation Translation and Internet Café
 - Tikrit – Businessmen Service Center (this project will leverage upon SEDO's accounting proficiencies, such as awards from the Iraq Integrity Commission to do audits of GOI ministries, as well as success that it has developed providing business and project consulting contracts.
- In the past SEDO has offered a variety of training programs beside HSB and HIB, including accounting, English, Computer skills and agribusiness training.
- SEDO occasionally rents out its halls and computers to earn additional revenue.
- SEDO has a good presence in the community especially with Tikrit University, the Provincial Council and municipal governments of Tikrit, Samara and Baiji.
- SEDO's training courses have attracted a high percentage of youth and women.
- Management is good; duties are distributed over a limited staff
- SEDO has been successfully facilitating *Tijara's* IYI Program (granting funding up to \$181,000 ending in June 2012), linking SEDO clients directly to a local MFI (the Access to Finance program) and to local businesses through the YERP and YEP programs.



Weaknesses:

- Approx. 70% of SEDO's revenues are from *Tijara* and other USG sources.

Concerns/Issues:

- SEDO will face some funding issues as the IYI programming will stop in mid-2012.

Recommendations:

- Expansion of its client base and fee-based services, specifically the two USAID-*Tijara* grant funded projects, are essential to diversifying SEDO's revenue streams and contributing towards its operating stability.

2.2 SBDC Deliverables

- 2.2.1 Business Plan for future sustainability
- 2.2.2 Self-Assessment.
- 2.2.3 Monthly and Quarterly Program Reports
- 2.2.4 Financial reports.
- 2.2.5 Updated work plan
- 2.2.6 Current NGO Registration

Strengths:

- SEDO has provided a 2012 Business Plan, Strategic Plan, Work Plan and Budget.
- SEDO does provide a quarterly Self Assessment
- SEDO does provide Weekly, Monthly and Quarterly program reports.
- SEDO does provide monthly financial reports using Jamsheed accounting software.

Weaknesses:

- SEDO's financial reports are of high quality and have English titles, however they still could provide better detail, especially at the projects level to help management to understand its cost of providing services.
- SEDO could update its work plan regularly and use it as a management tool.
- SEDO is in the final stages of re-registering its non-profit organization status with the NGO Directorate in Baghdad.

Concerns/Issues:

- SEDO needs to understand its cost of providing services down to the profit margins for each revenue segment.
- SEDO has needs to finalize its NGO re-registration.
- SEDO now has two USAID-*Tijara* grant funded projects which will require deliverables after each milestone has been met.

Recommendations:

- Work with SEDO on their grant activities and milestones.
- SEDO's outreach and communication could be improved substantially by developing a website and providing fresh programming content.



2.3 Financial, Budgeting and Program Reporting

- 2.3.1 Record Keeping of Participants
- 2.3.2 Specific Revenue Generating Activities and Amounts
- 2.3.3 Monthly & Quarterly Financial Reports:
- 2.3.4 Monitoring & Evaluation of Activities
- 2.3.5 Monthly program tracking reports

Strengths:

- SEDO records all of its program and financial activity, especially the very demanding IYI Programs, and they audit their books (there are accounting professors on their staff).
- SEDO has been able to support & monitor the operations and costs of their HQ office and two satellite offices

Weaknesses:

- SEDO does provide monthly Financial reports and these reports have improved dramatically with better use of the Jamsheed accounting software.

Concerns/Issues:

- SEDO has a very small staff spread over three locations which limits delivery of services at any one particular office, although they are managing an equal amount of IYI programming in Tikrit and Samawa.

Recommendations:

- BDS should continue to work with SEDO to get more project level detail out of their accounting books.

2.4 Outreach, Communications and Community Awareness

- 2.4.1 Linkages with MFIs and Banks
- 2.4.2 Specific Market Led Training Programs Rolled Out
- 2.4.3 Linkages with Other Stakeholders
- 2.4.4 MSME Success Stories

Strengths:

- SEDO advocates for local businesses and conducts regular meeting with Tikrit University, provincial government agencies, banks etc. At the beginning of this year SEDO conducted a “Auditing to Deter Corruption” Business Forum to 30 GOI and NGO officials which allowed them to illustrate the issues and provide solutions.
- With the start-up of two new grant-funded initiatives, SEDO is expanding BDFS products, services and awareness across the province.
- SEDO's Samarra branch is in the same building as Al Musaned, a MFI. SEDO's Iraqi Youth Initiative Program training is split between its Tikrit and Samarra offices.
- The design of the Tijara IYI Program (granting funding up to \$181,000) links SEDO's clients directly to the MFI through the Access to Finance program and to local businesses through the YERP and YEP programs.
- SEDO's prior facilitation of the CIPE grant provides it with a leadership role in hosting periodic forums to plan action steps to overcome constraints to economic growth



Weaknesses:

- The IYI program pushes the operational and management capacity (good & bad)
- SEDO has not used the web, TV or radio to market IYI or its other BDS services.

Concerns/Issues:

- SEDO could be content to be a strong team of accountants, but it needs to also broaden its marketing and business generation skills.
- Besides IYI promotion, SEDO has not developed marketing plans for other business segments

Recommendations:

- SEDO outreach and communication needs to be improved substantially. Developing a website and bringing out a newsletter are recommended. BDS will work with SEDO on possible performance grants to facilitate these functions and to generate fee income.
- SEDO needs to work with its Board of Directors, comprising of representatives from the community/stakeholders, to assist SEDO with governance and community outreach
- SEDO's Marketing Plan needs to be modified to include BDS services for different business segments (such as project management consulting and GOI auditing work)

2.5 HR Management and SBDC Staff:

- 2.5.1 Staff Qualifications & Turnover
- 2.5.2 Staff job descriptions updated and reflect the current SBDC organization structure
- 2.5.3 SBDC Director's efficiency in managing the Center
- 2.5.4 Training capabilities of the SBDC trainers
- 2.5.5 SBDC staff training needs

Strengths:

- It has proper organization structure
- Their team of trainers work on short-term contracts.

Weaknesses:

- SEDO relies on their capability in accounting and engineering and could expand their activities to provide other kinds of services.

Concerns/Issues:

- Retaining and building qualified staff with diverse business skills as programs are expanded

Recommendations:

- SEDO needs to hire quality staff in marketing and reporting, especially to focus on expanding new business segments



2.6 Technical Assistance Provided:

- 2.6.1 Observations during visits by Advisor / Field Coordinator:
- 2.6.2 Interactions on different initiatives:
- 2.6.3 Financial Support Provided:
- 2.6.4 General Comments

Comments:

- While the Advisor cannot access SEDO to due to security constraints, the Field Coordinator has paid several visits to SEDO to provide TA in support of their 2012 Business Plan, Strategic Plan, and Action Plan.

Recommendations:

- The BDS Advisor and Field Coordinator are actively supporting the two new grant-fund activities which, if implemented well, should bring in daily revenues and increase SEDO's operating sustainability.

3. Maturity Stage Check List

SBDC INSTITUTIONAL CAPACITY DEVELOPMENT		
GOVERNANCE, LEADERSHIP AND ORGANIZATIONAL ISSUES	value	score
LEGAL REQUIREMENTS	0-2	1
Initial legal requirements met (registration of SBDC & MOU)	n=0, y=1	1
Legal requirements current, including current registration and MOU between Tijara and SBDC	n=0, y=1	0
STRATEGIC PLANS, BUSINESS PLANS, AND ACTION PLANS	0-15	15
Vision and Mission defined	n=0, y=1	1
Development of a long-term strategic plan (2-5 years)	n=0, y=1	1
Development of SMART short-term goals (12 months or less) in the business plan; these goals should be aligned with and prioritized from the long-term strategic plan	n=0, y=1	1
Development of action plans	n=0, y=1	1
Evaluation of stakeholder needs	n=0, y=2	2
Evaluation of customer needs	n=0, y=2	2
Identified markets segments (customers) and delivery levels of key services to the local market	n=0, y=2	2
Role of the SBDC in its provincial economic development effort	n=0, y=2	2
SBDC is achieving results listed in business plans and action plans	n=0, y=3	3
BOARD OF DIRECTORS, BY-LAWS, AND ORGANIZATIONAL SUPPORT	0-6	6
Board of Directors initiated, parent organization buy-in	n=0, y=1	1
Clear and strong management, leadership, and governing structure	n=0,	1



		y=1	
	Board of Directors meet regularly	n=0, y=2	2
	Board of Directors is providing effective oversight	n=0, y=2	2
	STAFFING AND RESOURCE UTILIZATION	0-12	12
	The SBDC's organizational structure must be consistent with the SBDC's mission, goals and funding ability. The SBDC must be capable of supporting the strategic plan.	n=0, y=2	2
	SBDC leader systematically sets direction, addresses current and future opportunities, communicates and deploys performance expectations	n=0, y=2	2
	Business advisors/counselors, research assistants, program directors, etc., have appropriate qualifications and experience	n=0, y=2	2
	Position descriptions developed and the SBDC demonstrates that its staffing pattern is appropriate and adequate	n=0, y=2	2
	Operations manual developed	n=0, y=1	1
	Executive director and staff trained in basic SBDC functions	n=0, y=1	1
	Staff and managers have been trained and achieved acceptable competency levels in advanced operations (accounting, proposal writing, reporting, etc.	n=0, y=1	1
	Facilities and equipment are adequate	n=0, y=1	1
	GOVERNANCE, LEADERSHIP AND ORGANIZATIONAL ISSUES Score	0-35	34

PROGRAM DELIVERY AND MANAGEMENT		value	Score
	PROJECT MANAGEMENT AND REPORTING SYSTEMS	0-13	13
	Project management procedures documented	n=0, y=1	1
	Project managers consistently following project management guidelines	n=0, y=1	1
	The SBDC has systems in place that ensures sound fiscal and contractual management of its programs	n=0, y=1	1
	Budget management and cost-effectiveness of results achieved	n=0, y=2	2
	Achievement of action plans, short-term goals and strategy	n=0, y=2	2
	The SBDC has a system in place to document its work performance and outcomes	n=0, y=2	2
	SBDC staff produces/delivers regular performance reports	n=0, y=2	2
	The SBDC produces/delivers adequate and accurate financial reports on a regular basis	n=0, y=2	2
	BUSINESS DEVELOPMENT AND FUND RAISING CAPABILITIES	0-17	16
	The SBDC demonstrates it has a systematic process or processes to analyze the needs of its small business community	n=0, y=1	1
	Regular customer satisfaction and needs assessments conducted	n=0, y=1	0
	The SBDC demonstrates it utilized the results of the analyses to develop and deliver programs to meet identified needs	n=0, y=2	2



	The SBDC systematically promotes its programs and services to the general public and particularly to the small business community	n=0, y=2	2
	The SBDC produces and distributes publications, pamphlets, brochures, audio/video aids, web site and/or other information and materials for use by small businesses	n=0, y=2	2
	The SBDC is capable of building strong stakeholder relationships and is able to determine stakeholders' level of satisfaction	n=0, y=3	3
	The SBDC is able to demonstrate a strategy for seeking supplemental funding that is consistent with the SBDC strategic plan	n=0, y=3	3
	Evidence of extensive networking, linkages, cooperation and integration with chambers of commerce, business and trade associations and economic development entities	n=0, y=3	3
	CONSULTANTS AND ADVISORS NETWORK	0-5	5
	Database or roster of advisors and consultants to support SBDC service delivery is being developed	n=0, y=1	1
	Advisory and consultants network expanded and being used to help deliver training and consulting services	n=0, y=2	2
	Partnerships developed with universities and other service providers and being used to expand training and other service delivery capabilities	n=0, y=2	2
	PROGRAM DELIVERY AND MANAGEMENT Score	0-35	34

SERVICE DELIVERY PERFORMANCE			
	SERVICE DELIVERY	value	Score
	Average number of donor-funded training sessions conducted/quarter	0-5	1
		3-5 sessions	score 1 →
		6-8 sessions	score 2 →
		9-11 sessions	score 3 →
		12 or more sessions	score 5 →
	Ave. number of other donor-funded programs conducted/quarter (not training programs)	0-5	1
		0 programs	score 0 →
		3-5 programs	score 1 →
		6-8 programs	score 2 →
		9-11 programs	score 3 →
		12 or more programs	score 5 →
	Number of for-fee training courses offered /quarter	0-5	1
		0 courses	score 0 →
		3-5 courses	score 1 →
		6-8 courses	score 2 →
		9-11 courses	score 3 →
		12 or more courses	score 5 →
	# of clients who paid to participate in training programs/quarter	0-5	1
		0 clients	score 0 →
		10-29 clients	score 1 →
		30-59 clients	score 2 →
		60-89 clients	score 3 →
		90 or more clients	score 5 →
	Number of for-fee business services offered during the quarter	0-5	3



4. Summary of Recommendations:

- Expansion of its client base and fee-based services, specifically the two USAID-*Tijara* grant funded projects, are essential to diversifying SEDO's revenue streams and contributing towards its operating stability.
- Work with SEDO on their grant activities and milestones.
- SEDO's outreach and communication could be improved substantially by developing a website and providing fresh programming content.
- SEDO needs to complete its NGO registration.
- BDS should continue to work with SEDO to get more project level detail out of their accounting books. SEDO needs to understand its cost of providing services down to the profit margins for each revenue segment.
- SEDO outreach and communication needs to be improved substantially. Developing a website and bringing out a newsletter are recommended. BDS will work with SEDO on possible performance grants to facilitate these functions and to generate fee income.
- SEDO needs to work with its Board of Directors, comprising of representatives from the community/stakeholders, to assist SEDO with governance and community outreach

5. Specific Action Items and Timeline for Achievement:

- The BDS Advisor and Field Coordinator are actively supporting the two new grant-fund activities which, if implemented well, should bring in daily revenues and increase SEDO's operating sustainability.
- BDS will continue to work with SEDO on getting their books to report down to the project level.