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## **SBDC Performance Appraisal**

Parent Organization (PO): **Najaf Chamber of commerce  
(COCN)**

Date PO Established:

Date SBDC Established: **April, 2009**

SBDC Maturity Stage: **Three**

Assessment Date: **May 16, 2012 (1st Quarter Assessment, 2012)**

**BDS Advisor: Timothy M. Ham**

**Signature of BDS Advisor:**

Comments by BDS Director:

**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: (Computer Basic Training; How to Start/ Improve a Business under the Youth Entrepreneur Access to Finance (YEOF) program, Youth Employment Program (YEP))
- 2.1.2 DHL Agency
- 2.1.3 Monthly Economic Gazette advertising revenue
- 2.1.4 2012 Najaf Business Guide sales and advertising revenue
- 2.1.5 Community Activities: (Trade Shows, Rental of Halls, Economic Surveys etc)
- 2.1.6 Linkages with MFIs / Banks and Referrals for Loans
- 2.1.7 Visa preparation

#### Strengths:

- Najaf Chamber of Commerce provides support in kind, thus reducing costs.
- COCN has focused on carrying out their Iraqi Youth Initiative program with YEOF and YEP.
- COCN has been very active in seeking to diversify its client base and revenue streams to support its operational overhead. Fee based activities and services are being offered and explored to generate income. Additionally, COCN is marketing its services to various donor agencies, including most recently to FHI360 ([www.fhi360.org](http://www.fhi360.org)), who has purchased assets of AED, a large USAID contractor Other potential funding sources have included UNDP, GIZ and Iraqi Ministry of Youth. Services currently offered include DHL Services, Project Management Institute's Programs, support for Trade Delegations (domestic and international), supporting efforts of the new Najaf International Arbitration Center and the Najaf Tourism Development Center by coordinating meetings and developing training programs..
- CoCN training courses attract a high percentage of youth and women.
- Executive Management is focused on expanding the SBDC and supporting outreach of businesses in Najaf.
- Najaf is currently conducting two YEOF classes and one YEP classes under the Iraqi Youth Initiative through May 2012. They are seeking other donors to cover costs for employment placement and youth business training programs, but to date have not obtained commitments of funding.



- COCN continues to actively develop linkages with Embassies, potential sources of contract for service payments (FHI360 and others), other economic development organizations – local as well as foreign and commercial organizations. Najaf published their 2012 Najaf Business Guide and obtains revenue from advertising and retail sales of the publication.

COCN produces a monthly Najaf Economic Gazette, which has been awarded a USAID-Tijara Performance Grant, which received advertising revenue. The publication has increase from 12 to 16 pages and expanded revenue 68% from prior edition, but is still only generating \$1,320 in revenue, versus \$680 per month. With Total Labor and Direct Costs of \$4,090/month, they will have to dramatically increase revenue, reduce costs and seek out donors to support the effort, either the Chamber or other corporate or NGO support to remain in operation following the end of the grant in June. COCN is strongly considering purchase, installation and operation of outdoor digital advertising boards and sought support from Tijara for operations, business development and advertising sales. The Tijara grant was declined, although the COCN stated an intention to pursue the project independently. If the SBDC has a role in production, operation and advertising sales in exchange for income, this could benefit the SBDC. Weaknesses:

- COCN will need to continue to diversify its funding sources further in future in order to maintain support of SME development programs in Najaf, especially in light of the discontinuance of USAID Tijara funding through the Iraqi Youth Initiative in May/June 2012 and the BDS funding of Performance Grant by the end of June 2012..
- COCN needs to improve its ability to market to organizations seeking to provide training or other support services in Najaf and the surrounding area. Some of this effort will be conducted through the SBDC Network, but COCN and the Najaf Chamber of Commerce should expand this effort on their own as well.
- COCN also needs to focus on assessing revenue generating projects to make sure that they not only diversity its revenue base, but does so with surplus revenue.
- Documentation for IYI reimbursement of expenses appears to be complete and timely. As a result, they do not appear to have any delay from IYI in reimbursement

#### Concerns/Issues:

- The discontinuance of USAID-Tijara support means the SBDC will have to rely upon “for fee” services and marketing to other sources of contract training and services. They should also consider their staff plan according to the revenue to be generated and be prepared to reduce staff as needed, unless the Chamber is willing to cover these costs.
- In September 2012, the current Executive Director, Hassanein Muhiddin, anticipates starting graduate school in Europe. Executive management will either pass to Auday Ja or to others chosen by the Chamber. It is anticipated there may be a lapse of reduction of efforts.

#### Recommendations:

- BDS will continue to assist COCN in grant applications and proper evaluation of various revenue generating projects and preparation of additional Performance Grants
- BDS will work with COCN to prepare marketing material for COCN to petition additional contract services from other national and international firms, NGOs and multi-national donor
- COCN needs to continue to diversify its client base, revenue streams and funding sources by upgrading its capacity to develop good proposals in order to successfully obtain funding from different organizations.



- COCN should consider increasing their role of the advertising sales staff for the Najaf Economic Gazette to also conduct sales for inserts in the Gazette
- COCN has been requested to obtain pdf versions of their Gazette that could be sent out electronically and to place the publications on their website to increase circulation. To date, they have not accomplished this.
- COCN should consider development of increased national and international media relations, press releases and other electronic communication highlighting the activities of the COCN and COCN as part of seeking additional training and service contracts.

## 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 Jamsheed Financial reports
- 2.2.5 Updated work plan

### Strengths:

- COCN has provided a 2011 Strategic Plan and 2012 Business Plan, Action Plan and Budget .
- COCN provides Weekly and Monthly program reports and monthly Jamsheed reports..

### Weaknesses:

- Although COCN provides detailed income by projects, they should establish sub-accounts for each of these projects/ programs on their Jamsheed accounting system to reflect income and expenses.

### Concerns/Issues:

- Management is stretched very thin with all the reports and activities of this very busy SBDC, especially with requests for IYI and USAID- *Tijara* reporting. It will ease with the completion of the IYI program.

### Recommendations:

## 2.3 COCN needs technical assistance to help them prepare additional grant applications and donor funded services proposals 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:

- COCN does a good job of recording of training participants
- The team is experienced and constantly takes initiatives.



- COCN accountant attended the BDS provided Jamsheed accounting software training and submits on a timely basis.

Weaknesses:

- COCN financial reports do not provide enough detail to determine the adequacy of accounting on a project by project basis

Concerns/Issues:

- Administratively, the COCN is doing a good job. There are no specific concerns or issues.

Recommendations:

- COCN should assess the impact of its activities.
- Establish sub-accounts on Jamsheed revenue and expense.

## **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:

- The SBDC is an integral part of the Chamber of Commerce and performs many important duties for the Chamber. The Chamber therefore provides support in kind as well as in deed.
- As a part of the Chamber of Commerce, the SBDC has instant visibility and credibility.
- COCN does a great job of advocating for local businesses. Organizing Trade Delegations is a major and important service it provides to both local as well as foreign companies.
- The design of the Tijara IYI Program continues to link COCN's clients directly to the MFI through the Access to Finance (YEF) component and to local businesses through the YEP component. However, the program is scheduled to end May 2012 and COCN has yet to determine a way to entirely commercialize job placement or to find another donor.
- As a result of the Najaf Business Directory project, the COCN maintains their position in the business community as a principal source for information.
- The Najaf Chamber website ([www.najafchamber.com](http://www.najafchamber.com)) offers the visibility to the SBDC and is actively supported with new material. The SBDC has also established its own website ([www.najafsbdc.com](http://www.najafsbdc.com)), in addition to their profile page on the SBDC Network website (<http://www.sbdc-iraq.com/en/node/244>). They are being encouraged to link their publications on the website of the SBDC and the Chamber.

Weaknesses:

- COCN should continue to expand its outreach efforts to the business community in Najaf, seeking to define needs and specific services it can provide to support SMEs in the province.

Concerns/Issues:



- Outreach needs to continue in an ongoing fashion for new services to provide that can generate fees from contractors, NGOs and the business community and potential trainees.

Recommendations:

- Continue to provide support to the SBDC to diversify its revenue sources.

**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 a proper organization structure
- It has an ample supply of high quality short-term trainers

Weaknesses:

- As they train up staff, the staff have, in the past, gone to other positions which pay a higher rate.

Concerns/Issues:

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

Recommendations:

- COCN needs to continue to hire, train, support and retain quality staff, especially as the need for marketing to the business community and donor/ potential NGO contract community increases, as well as advertisement sales
- Consider other benefits for staff such as additional training or commissioned sales income for selected staff.

**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:

- Advisor and Field Coordinator have good access to COCN and its Executive Director and Acting Director
- USAID-Tijara provided COCN with a Performance Grant of \$27,560 from October 1, 2011 to April 30, 2012 in support of expanding the Najaf Economic Gazette. This grant has been extended through June 2012.
- Technical Assistance is being provided on the current Najaf Economic Gazette grant and for development of grant proposals.



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- The Executive Director is marketing the COCN to additional parties to solicit training and service contracts
- The Chamber is well connected internationally, which should result in additional opportunities for the COCN, including: French Embassy; Bahrain Consul; Cairo, Alexandria and Giza Chambers of Commerce; Scandinavian Chamber of Commerce; US Department of Agriculture – Foreign Agricultural Service. The challenge is to develop these relationships to the benefit of businesses in Najaf and for the COCN and COCN to provide beneficial services, hopefully with some “for fee” services

Recommendations:

- Review additional “for fee” services potential for COCN to provide to the business community in Najaf



### 3. Maturity Stage Check List

<b>SBDC INSTITUTIONAL CAPACITY DEVELOPMENT</b>		
<b>GOVERNANCE, LEADERSHIP AND ORGANIZATIONAL ISSUES</b>	<b>value</b>	<b>score</b>
<b>LEGAL REQUIREMENTS</b>	<b>0-2</b>	<b>2</b>
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	1
<b>STRATEGIC PLANS, BUSINESS PLANS, AND ACTION PLANS</b>	<b>0-15</b>	<b>15</b>
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
<b>BOARD OF DIRECTORS, BY-LAWS, AND ORGANIZATIONAL SUPPORT</b>	<b>0-6</b>	<b>6</b>
Board of Directors initiated, parent organization buy-in	n=0, y=1	1
Clear and strong management, leadership, and governing structure	n=0, y=1	1
Board of Directors meet regularly	n=0, y=2	2
Board of Directors is providing effective oversight	n=0, y=2	2
<b>STAFFING AND RESOURCE UTILIZATION</b>	<b>0-12</b>	<b>11</b>
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	0
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
<b>GOVERNANCE, LEADERSHIP AND ORGANIZATIONAL ISSUES Score</b>	<b>0-35</b>	<b>34</b>



PROGRAM DELIVERY AND MANAGEMENT		value	score
<b>PROJECT MANAGEMENT AND REPORTING SYSTEMS</b>		<b>0-13</b>	<b>13</b>
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	
<b>BUSINESS DEVELOPMENT AND FUND RAISING CAPABILITIES</b>		<b>0-17</b>	<b>17</b>
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	1	
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 the chambers of commerce, business and trade associations and economic development entities in the province	n=0, y=3	3	
<b>CONSULTANTS AND ADVISORS NETWORK</b>		<b>0-5</b>	<b>5</b>
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	
<b>PROGRAM DELIVERY AND MANAGEMENT Score</b>		<b>0-35</b>	<b>35</b>
<b>SERVICE DELIVERY PERFORMANCE</b>			
SERVICE DELIVERY		value	score
Average number of donor-funded <b>training</b> sessions conducted/quarter		<b>0-5</b>	<b>5</b>
	3-5 sessions	score 1 →	
	6-8 sessions	score 2 →	
	9-11 sessions	score 3 →	
	12 or more sessions	score 5 →	5
Ave. number of <b>other</b> donor-funded programs conducted/quarter (not training programs)		<b>0-5</b>	<b>1</b>



	0 programs	score 0 →	
	3-5 programs	score 1 →	1
	6-8 programs	score 2 →	
	9-11 programs	score 3 →	
	12 or more programs	score 5 →	
<b>Number of for-fee training courses offered /quarter</b>		<b>0-5</b>	<b>1</b>
	0 courses	score 0 →	
	3-5 courses	score 1 →	1
	6-8 courses	score 2 →	
	9-11 courses	score 3 →	
	12 or more courses	score 5 →	
<b># of clients who paid to participate in training programs/quarter</b>		<b>0-5</b>	<b>1</b>
	0 clients	score 0 →	
	10-29 clients	score 1 →	1
	30-59 clients	score 2 →	
	60-89 clients	score 3 →	
	90 or more clients	score 5 →	
<b>Number of for-fee business services offered during the quarter</b>		<b>0-5</b>	<b>1</b>
	0 services	score 0 →	
	3-5 services	score 1 →	1
	6-8 services	score 2 →	
	9-11 services	score 3 →	
	12 or more services	score 5 →	
<b># of clients who paid for business services during the quarter</b>		<b>0-5</b>	<b>5</b>
	0 clients	score 0 →	
	1-5 clients	score 1 →	
	6-8 clients	score 2 →	
	9-11 clients	score 3 →	
	12 or more clients	score 5 →	5
<b>SERVICE DELIVERY PERFORMANCE Score</b>		<b>0-30</b>	<b>14</b>
<b>SBDC INSTITUTIONAL CAPACITY DEVELOPMENT Total Score</b>		<b>0-100</b>	<b>83</b>



FINANCIAL PERFORMANCE AND VIABILITY			values	score
Year To Date revenues (total)			\$57,483	no score
Year To Date operating expenses (total)			\$42,693	no score
<i>(Use figures from monthly financial reports)</i>				
	Actual %			
% of revenues from USG and PRT	74%	if USG is 100%	score 0→	
% of revenues from GOI sources and other (Non Tijara/PRT)	0%	if USG is 75-99%	score 10-19 →	
% of revenues from client fees (for-fee services)	26%	if USG is 50-74%	score 20-29 →	20
	100%	if USG is 40-49%	score 30-39 →	
		if USG is 25-39%	score 40-49 →	
		if USG is 0 %	score 50 →	
<b>FINANCIAL VIABILITY Score</b>			<b>0-50</b>	<b>20</b>

MATURITY INDEX	INSTITUTIONAL CAPACITY SCORE	VIABILITY SCORE	TOTAL SCORE
Stage I Maturity Level	0-35	0-12	<b>0-47</b>
Stage II Maturity Level	36-65	13-25	<b>49-90</b>
Stage III Maturity Level	66 - 80	26-35	<b>92-115</b>
Stage IV Maturity Level	80-100	36-50	<b>116-150</b>
<b>SBDC SCORE</b>	<b>83</b>	<b>20</b>	<b>103</b>

Stage III Maturity Level. The SBDC continues cash positive and is also seeking additional diversification of revenue.

Additional non-Tijara/PRT income was derived Gazette Advertising; Gazette donations, advertising and sale of 2012 Business Guide, ; Visa processing; and DHL agency. Najaf continues as one of the strongest SBDC in the Iraqi SBDC Network.



**4. Summary of Recommendations:**

- COCN needs to continue to add fee-based services and diversify its donor, NGO and GOI funding sources to offset the loss of BDS and IYI funding in 2012.
- COCN should identify additional “for fee” based programs to support SMEs in Najaf

**5. Specific Action Items and Timeline for Achievement:**

- BDS is supporting COCN development of grant proposals for submission to BDS in December 2011
- BDS is supporting development of “Firm Qualification Statement” for COCN to use in marketing it’s capabilities to potential parties requesting contract training and services