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### SBDC Performance Appraisal

Parent Organization (PO): Basra Business Information Center (BIC COC)  
Date PO Established: 2006  
Date SBDC Established: The Basra BIC was established in 2007 inside the Basra CoC by the UNOPS  
SBDC Maturity Stage: Two (57/150)  
Assessment Date: August 30 (2nd Quarter Assessment, May-July.2012)

BDS Advisor: Clifton Barton

Signature of BDS Advisor:

Comments by BDS Director:

The Basrah Business Information Center has been engaged in implementing the final stage of the IYI program and has begun implementing a new employment services grant. They have also been engaged in discussions with Shell Corporation to provide training in areas such as workers' safety to Shell employees and suppliers. They need to continue to work on developing their management structure and service delivery capabilities in order to take advantage of their prime location to approach foreign corporations interested in doing business in Basra to support projects using their corporate social responsibility funds.

BDS Component Leader: Husam Habibeh

Signature of BDS Director:



## **2. Purpose of Appraisal:**

The purpose of this Appraisal is to evaluate the activities and achievements of the Small Business Development Centers (SBDCs) supported by USAID-Tijara with respect to their performance in promoting provincial economic growth and prosperity for all Iraqis.

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

- 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:**

### **.1 Revenue Generating Activities through a program of improved product offering and services delivery**

- .1.1 Training Programs: (HSB, HIB, Computers, Languages etc)
- .1.2 Business Consulting: (Legal Advice, Business Plans, Accounting Advice, Management Advice etc)
- .1.3 Community Activities: (Trade Shows, Rental of Halls, Economic Surveys etc)
- .1.4 Linkages with MFIs / Banks and Referrals for Loans
- .1.5 Summary of Impact Assessment Survey Participants Responses for that Quarter

#### Strengths:

- The BIC/COC has a very wide and good relationships with the business community in Basra mainly because of the CoC wide network of connections
- It is in a prime position to attract funds from international corporations to help implement corporate social responsibility (CSR) programs

#### Weaknesses:

- The BIC/COC has relied mainly on USAID-Tijara for the major part of its funding, although it has received funding support from IOM as well. It will need to diversify its funding sources in the future in order to continue to support SME development programs in Basra
- The BIC/COC has not made much progress in developing for-fee services to respond to client needs and will need to devote more effort to these activities in the future if is committed to continuing to operate as an SBDC.

#### Concerns/Issues:

- The Basra BIC has an opportunity to support employment efforts through its new employment services grant. However, it needs to strengthen its program management capabilities in order to successfully implement this project as well as undertake other activities that may develop in the future.
- The BIC should assign adequate operating responsibilities to its deputy director and project managers to ensure proper program management

#### Recommendations:



- BDS will support BIC efforts to implement its employment services grant and encourage cooperation with the SBDCs in Nassriya and Samawa in order to achieve economies of scale and share resources.
- BDS will support the BIC in developing proposals and providing technical support for CSR programs funded by international companies

## **.2 SBDC Deliverables**

- .2.1 Business Plan for future sustainability
- .2.2 Self-Assessment
- .2.3 Monthly and Quarterly Program Reports
- .2.4 Financial reports
- .2.5 Updated work plan

### Strengths:

- BIC/COC provides weekly and monthly program reports in a timely manner

### Weaknesses:

- The BIC's financial reports need more accurate and detailed reporting of income and expenses, including accounting for different project activities.
- The BIC/COC needs to prepare more regular work plan updates for its core services
- The BIC does not maintain separate financial accounts for its expenses, which are paid for by the COC.

### Concerns/Issues:

- The Basra SBDC needs to assign proper management roles and responsibilities to a deputy SBDC director or senior project manager in order to maintain more consistent operations.

### Recommendations:

- The BDS team will need to provide technical support to help the BIC improve its project management capabilities.

## **.3 Financial, Budgeting and Program Reporting**

- .3.1 Record Keeping of Participants
- .3.2 Specific Revenue Generating Activities and Amounts
- .3.3 Monthly & Quarterly Financial Reports:
- .3.4 Monitoring & Evaluation of Activities
- .3.5 Monthly program tracking reports

### Strengths:

- BIC/COC does very well in recording of training participants
- BIC/CoC does well in tracking reports

### Weaknesses:

- BIC/COC's financial reports lack sufficient detail and need considerable improvement, particularly with respect to accounting for income and expenses for projects.



- They don't have a qualified accountant that knows how to use modern accounting systems yet

Concerns/Issues:

- A major part of the BIC's operating expenses (for staff, space, utilities, and other) are paid for by the COC; consequently, it is difficult to measure the financial state of the BIC's operations.
- The BIC staff members are employees of the COC and there are continuing issues regarding compensation or incentive payments that are problematical.

Recommendations:

- BIC/COC needs to train project managers to enable them to comply with the reporting requirements for donor-funded programs.
- BIC/COC needs to improve its monthly income and expense reports, including better project accounting

**.4 Outreach, Communications and Community Awareness**

- .4.1 Linkages with MFIs and Banks
- .4.2 Specific Market Led Training Programs Rolled Out
- .4.3 Linkages with Other Stakeholders
- .4.4 MSME Success Stories

Strengths:

- The BIC/COC director has good contacts in the local business community and knows how to arrange community events like conferences and trade shows
- The BIC has recently updated its website.

Weaknesses:

- BIC/COC hasn't conducted any needs assessment for the business community so it doesn't have a sufficiently clear idea of customer demands and has thus far failed to develop effective services to respond to these needs.

Concerns/Issues:

- The BIC/COC will need develop a more stable management and staff structure capable of assessing client needs, developing new services, and publicizing success stories that can show the SBDC achievements

Recommendations:

- BIC/COC's marketing and communications needs to be substantially improved. Additional efforts to update the BIC website content will help. They also need to focus on actively marketing the services they will offer by means of brochures and promotional campaigns in Basra, including taking advantage of their location within the COC to market their services to COC members.



## **.5 HR Management and SBDC Staff:**

- .5.1 Staff Qualifications & Turnover
- .5.2 Staff job descriptions updated and reflect the current SBDC organization structure
- .5.3 SBDC Director's efficiency in managing the Center
- .5.4 Training capabilities of the SBDC trainers
- .5.5 SBDC staff training needs

### Strengths:

- The BIC/COC is still struggling to develop a proper organization structure
- They have demonstrated an ability to identify qualified short-term trainers but need to develop more systematic project management procedures and work on staff training.
- They don't have to worry about funding the staff because the staff are already paid by the chamber; however, staff compensation and bonus payments need to be addressed.

### Weaknesses:

- The BIC/COC has weakness in its staffing and management structure, due to problems of assigning adequate operational authority to program managers and providing financial incentives to compensate for added work loads
- The BIC director has not devoted sufficient time and attention to SBDC operations. Consideration should be given by the COC to assign more management authority to the deputy SBDC director to help manage the SBDC.

### Concerns/Issues:

- Retaining and building qualified staff with specialized business skills as programs are expanded, including staff with management, marketing, and technical skills to serve in their fee based services including the new grant-funded projects

### Recommendations:

- The BIC/COC needs to fully implement the recommendations and approaches that it is being provided to them by BDS.
- The COC should give the deputy proper operational authority to manage her assigned duties

### *Technical Assistance Provided:*

- .5.6 Observations during visits by Advisor / Field Coordinator:
- .5.7 Interactions on different initiatives:
- .5.8 Financial Support Provided:
- .5.9 General Comments

### Comments:

- Advisor and Field Coordinator have a good working relationship with the BIC/COC executive director and staff



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- TA has been provided on development of proposals, action plan, org chart etc.
- BIC/ CoC has a very good facilities for training and counseling purposes

Recommendations:

- BIC/COC will need to fully implement the observations and notes that are provided to them by BDS advisor and field coordinator
- BDS team needs to continue to work with the BIC to help develop strategies for diversifying their revenue sources, particularly with respect to securing CSR funds from international companies
- Investigating funding opportunities with international investors and oil companies should be a high priority.



**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>11</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	0
Evaluation of stakeholder needs	n=0, y=2	0
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	2
<b>BOARD OF DIRECTORS, BY-LAWS, AND ORGANIZATIONAL SUPPORT</b>	<b>0-6</b>	<b>4</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	1
Board of Directors is providing effective oversight	n=0, y=2	1
<b>STAFFING AND RESOURCE UTILIZATION</b>	<b>0-12</b>	<b>5</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	0
Business advisors/counselors, research assistants, program directors, etc., have appropriate qualifications and experience	n=0, y=2	0
Position descriptions developed and the SBDC demonstrates that its staffing pattern is appropriate and adequate	n=0, y=2	0
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>22</b>
<b>PROGRAM DELIVERY AND MANAGEMENT</b>	value	score
<b>PROJECT MANAGEMENT AND REPORTING SYSTEMS</b>	<b>0-13</b>	<b>5</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	0
The SBDC has a system in place to document its work performance and outcomes	n=0, y=2	0
SBDC staff produces/delivers regular performance reports	n=0, y=2	0
The SBDC produces/delivers adequate and accurate financial reports on a regular basis	n=0, y=2	0
<b>BUSINESS DEVELOPMENT AND FUND RAISING CAPABILITIES</b>	<b>0-17</b>	<b>12</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	0
The SBDC demonstrates it utilized the results of the analyses to develop and deliver programs to meet identified needs	n=0, y=2	0
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	1
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>2</b>
Database or roster of advisors and consultants to support SBDC service delivery is being developed	n=0, y=1	0
Advisory and consultants network expanded and being used to help deliver training and consulting services	n=0, y=2	0
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	19
<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>2</b>
	3-5 sessions	score 1 →	
	6-8 sessions	score 2 →	2
	9-11 sessions	score 3 →	
	12 or more sessions	score 5 →	
Ave. number of <b>other</b> donor-funded programs conducted/quarter (not training programs)		<b>0-5</b>	<b>0</b>
	0 programs	score 0 →	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		<b>0-5</b>	<b>0</b>
	0 courses	score 0 →	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		<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 →	
Number of for-fee business services offered during the quarter		<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>2</b>
	0 clients	score 0 →	
	1-5 clients	score 1 →	
	6-8 clients	score 2 →	2
	9-11 clients	score 3 →	
	12 or more clients	score 5 →	
<b>SERVICE DELIVERY PERFORMANCE Score</b>		<b>0-30</b>	<b>6</b>

<b>SBDC INSTITUTIONAL CAPACITY DEVELOPMENT Total Score</b>	<b>0-100</b>	<b>47</b>
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<b>FINANCIAL PERFORMANCE AND VIABILITY</b>				values	score
Year to Date Revenues (total) for 6 months (Feb-July)				<b>\$78,691</b>	no score
Year to Date Operating Expenses (total) for 6 months <i>(Use figures from financial reports)</i>				<b>\$50,258</b>	no score
	Actual %				
% of revenues from USAID-Tijara	98%	if Tijara is 100%		score 0→	0
% of revenues from GOI sources and other (Non Tijara)	2%	if Tijara is 75-100%		score 10-19 →	10
% of revenues from client fees (for-fee services)	0%	if Tijara is 50-74%		score 20-29 →	
	100%	if Tijara is 40-49%		score 30-39 →	
		if Tijara is 25-39%		score 40-49 →	
		if Tijara is 0 %		score 50 →	
<b>FINANCIAL VIABILITY Score</b>				<b>0-50</b>	<b>10</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>47</b>	<b>10</b>	<b>57</b>

***Maturity Level: Stage II***

**4. Summary of Recommendations:**

- BIC/COC needs develop more fee-based services and diversity donor, NGO and GOI funding sources
- BIC/COC’s marketing and communications needs to be improved by updating its website, marketing the business directory, and conducting regular meetings with local stakeholders.
- BIC/COC management should update their business plans and action plans on a regular basis in order to better manage their programs and services
- The BIC/COC needs to determine whether or not its director is able to devote the time and attention that is needed to move the BIC operations to the next level.

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

- BDS needs to continue to work with the BIC/COC to help them diversify their funding sources, including developing contracts with GOI organizations, other donor organizations and programs, and private corporate sponsors (ongoing). February – September 2012
- BDS should work with the BIC to develop ideas and plans for new services that the BIC could offer SMEs and clients in Basra (February-March 2012)
- BDS needs to continue to monitor BIC performance in implementing the IYI program to ensure they are following program guidelines and meeting performance targets. February-June 2012.