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SBDC Performance Appraisal

Parent Organization (PO): Nassriya Chamber of Commerce
Date PO Established: 1958
Date SBDC Established: The Zakura SBDC in Nassriya was established in April 2008
SBDC Maturity Stage: Three (106/150)
Assessment Date: August 20, 2012 (2nd Quarter Assessment, 2012)
BDS Advisor: Clifton Barton

Signature of BDS Advisor:

Comments by BDS Director:

The Z-SBDC continues performing well in implementing new revenue-generating services, including their marketing and advertising center, their business newsletter project, and their new employment services project. With the IYI program phasing out, these other sources of revenue provide the Z-SBDC with a vital means of sustaining their operations. Over the past couple of years the Z-SBDC has been increasingly successful in developing relationships with other donor organizations and sponsors to secure funds to continue providing business development support to SMEs in Thi Qar Province. The main issue they are facing at the present time continues to be their relationship with the Nassriya Chamber of Commerce. The Chamber is currently not providing any facilities or support to the SBDC. Moreover, operating as a unit of the Chamber is making it difficult for the SBDC to secure funding from donor organizations that only provide grants or contracts to organizations that are registered as NGOs. At some point in the future it may be necessary for the Z-SBDC to partner with another NGO to continue its SBDC operations.

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 Z-SBDC in Nassriya with respect to their performance in promoting provincial economic growth and prosperity in Dhi Qar Province during the 1st and 2nd quarters of 2011.

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

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

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 etc)
- 2.1.2 Business Consulting: (Legal Advice, Business Plans, Accounting Advice, Management Advice etc)
- 2.1.3 Community Activities: (Trade Shows, Rental of Halls, Economic Surveys etc)
- 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:

- The Z-SBDC has made excellent progress in developing new revenue generating services, including printing services offered through its Marketing and Advertising Center, its business newsletter and advertising services program, and its new employment services center.
- The Z-SBDC was one of the top performers involved in implementing the IYI program. In addition, it has successfully developed a modest array of other services including translation services, English language training, computer skills, and agribusiness training.
- The Z-SBDC has been successful in networking with other donor organizations and sponsors and has been successful in obtaining some funding support for workshops and training programs. However, they are facing problems in obtaining grant funds from some international organizations that require their recipients to be registered as NGOs.
- The Z-SBDC's management is sound. The executive director and staff have made excellent progress in developing their capabilities to provide reliable financial reports and program performance reports.

Weaknesses:

- The relationship with its parent organization, the Nassiriyah Chamber of Commerce, remains less than ideal, even though the Chamber has provided some support for activities such as conferences and business forums.
- The Z-SBDC needs to continue its efforts to diversify its funding sources in the future in order to continue to support SME development programs in Dhi Qar



Concerns/Issues:

- A continuing challenge facing the Z-SBDC is the need to diversify its funding sources over the coming year in order to sustain its operations after the USAID-*Tijara* funding support ends. Operating under the patronage of the Chamber of Commerce, without a separate NGO registration, is limiting its ability to attract grant funds.

Recommendations:

- The Z-SBDC needs to continue working on upgrading its promotional materials, including its website and capabilities statement in order to support its fund-raising efforts.
- The Z-SBDC needs to diversify its client base, revenue streams and funding sources by improving its proposal writing capabilities and expanding contacts with potential corporate sponsors, government clients, and donor organizations.
- In addition to continuing efforts to implement training programs and donor-funded development initiatives, the Z-SBDC will need to focus on increasing its revenues by offering an expanded array of client services, including marketing and printing services, advertising services, employment services, and others.
- The Z-SBDC should investigate options for partnering with another NGO to continue offering business development services to the local community.

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

Strengths:

- The Z-SBDC has produced a 2012 Business Plan, Strategic Plan and beginning year Work Plan that is considerably better than those submitted in previous years
- The Z-SBDC has completed its Self Assessment for the 1st quarter of 2012
- Z-SBDC provides Weekly, Monthly and Quarterly program reports in a timely manner.
- Z-SBDC provides monthly Financial reports

Weaknesses:

- The Z-SBDC's financial reports have improved but more attention needs to be devoted to accounting for income and expenses for specific projects.
- The Z-SBDC needs to prepare more regular work plan updates for its core services.
- The Z-SBDC will need provide regular training to its staff and program managers in order to improve the performance of its operations and increase revenues.

Concerns/Issues:

- None

Recommendations:

- Continued efforts by the BDS advisors and field coordinators will be needed to improve financial reporting, particularly project accounting.



- The Z-SBDC will need continuing technical assistance to help them implement their grant-funded activities and market their services to other funding organizations and sponsors.
- The Z-SBDC should seek customer feedback to evaluate the effectiveness of its services and report on success stories and accomplishments on its website, newsletter, and weekly/monthly reports.

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:

- Z-SBDC has done a good job of recording of training participants for the IYI activities.
- They also are doing a good job reporting success stories.

Weaknesses:

- Z-SBDC's financial reports still lack consistency. More efforts are needed to ensure financial reporting accurately reflects the Z-SBDC's financial position and financial results being achieved by specific projects.
- The Z-SBDC needs to work on communicating its progress and success stories as part of its external marketing strategy.

Concerns/Issues:

- None

Recommendations:

- Z-SBDC needs to assess the impact its activities and report on success stories
- Continued efforts are needed to improve financial management and reporting, particularly project accounting and performance reports (including success stories).

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 Z-SBDC director has excellent contacts in the local business community and does a good job in conducting conferences and business forums.
- The IYI program has enabled the Z-SBDC to develop better links to MFIs, thereby increasing the loans available to start-up businesses.

Weaknesses:



Concerns/Issues:

- The MFIs pay little attention to the business plans prepared by SBDC clients. More effort is needed to train MFI staff to enable them to consider the merits of different business ideas in their loan approval process.

Recommendations:

- The Z-SBDC needs to continue its active program of community outreach, including promoting its activities through various media channels.

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:

- The Z-SBDC has a proper organization structure
- They have an ample supply of high quality short-term trainers
- They have made good progress in recruiting and retaining competent staff to manage their printing center, newsletter, and other revenue-generating services

Weaknesses:

- The Z-SBDC needs to recruit and train additional managers and technical consultants to help it implement existing and new services.
- The Z-SBDC has a limited network of outside consultants, technical specialists, and other business partners that are available to help deliver Z-SBDC programs and client services.

Concerns/Issues:

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

Recommendations:

- The Z-SBDC needs to focus on recruiting and training qualified technical and marketing staff to manage their for-fee services
- The Z-SBDC needs to continue to seek opportunities to enroll its staff in various management training programs offered by NGOs and international organizations in order to further develop the professional capabilities of its managers and staff.
- The Z-SBDC needs to develop a network of technical and business specialists to provide on-call technical support in order to improve the Z-SBDCs service delivery capabilities.
- The Z-SBDC needs to develop new institutional partnerships to enable it to offer new services, such as workforce skills training, market research, marketing support, etc.

Technical Assistance Provided:



- 2.5.6 Observations during visits by Advisor / Field Coordinator:
- 2.5.7 Interactions on different initiatives:
- 2.5.8 Financial Support Provided:
- 2.5.9 General Comments

Comments:

- Advisor and Field Coordinator have a good working relationship with the Z-SBDC executive director and staff
- TA has been provided on development of proposals, action plan, org chart etc.

Recommendations:

- Z-SBDC and the BDS team need to meet regularly to assess progress, work on business plan and action plan updates, and develop plans for new services that could be funded under the performance grant program.

3. Maturity Stage Check List

SBDC INSTITUTIONAL CAPACITY DEVELOPMENT			
GOVERNANCE, LEADERSHIP AND ORGANIZATIONAL ISSUES		value	score
LEGAL REQUIREMENTS		0-2	2
	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
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	2
	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	0
	Board of Directors is providing effective oversight	n=0, y=2	0
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	31
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	17
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



	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	1
	Partnerships developed with universities and other service providers and being used to expand training and other service delivery capabilities	n=0, y=2	1
	PROGRAM DELIVERY AND MANAGEMENT Score	0-35	33

SERVICE DELIVERY PERFORMANCE

SERVICE DELIVERY	value	score
Average number of donor-funded training sessions conducted/quarter	0-5	5
	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 other donor-funded programs conducted/quarter (not training programs)	0-5	0
	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	3
	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 →
		3
# of clients who paid to participate in training programs/quarter	0-5	2
	0 clients	score 0 →
	10-29 clients	score 1 →
	30-59 clients	score 2 →
		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
		0 services	score 0 →	
		3-5 services	score 1 →	
		6-8 services	score 2 →	
		9-11 services	score 3 →	3
		12 or more services	score 5 →	
# of clients who paid for business services during the quarter			0-5	2
		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 →	
SERVICE DELIVERY PERFORMANCE Score			0-30	15

SBDC INSTITUTIONAL CAPACITY DEVELOPMENT Total Score	0-100	79
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FINANCIAL PERFORMANCE AND VIABILITY		values	score
Year to End Revenues (total) for 6 months		\$101,169.10	no score
Year to End Operating Expenses (total) for 6 months <i>(Use figures from financial reports)</i>		\$105,316.30	no score
	Actual %		
% of revenues from USAID-Tijara	70%	if Tijara is 100%	score 0→
% of revenues from GOI sources and other (Non Tijara)	4%	if Tijara is 75-100%	score 10-19 →
% of revenues from client fees (for-fee services)	26%	if Tijara is 50-74%	score 20-29 →
	100%	if Tijara is 40-49%	score 30-39 →
		if Tijara is	score 40-



		25-39%	49 →	
		if Tijara is 0%	score 50 →	
FINANCIAL VIABILITY Score			0-50	29

MATURITY INDEX	INSTITUTIONAL CAPACITY SCORE	VIABILITY SCORE	TOTAL SCORE
Stage I Maturity Level	0-35	0-12	0-47
Stage II Maturity Level	36-65	13-25	49-90
Stage III Maturity Level	66 - 80	26-35	92-115
Stage IV Maturity Level	80-100	36-50	116-150
SBDC SCORE	79	29	108

Maturity Level: Stage III (upper end)

4. Summary of Recommendations:

- The Z-SBDC needs continue to develop its fee-based services and diversify donor, NGO, and GOI funding sources
- Z-SBDC needs to continue to build its staff and management capabilities by conducting regular in-house training to improve the management and operational skills of its project managers and staff
- The Z-SBDC needs to manage its overhead costs carefully in order to survive during periods when new project opportunities are scarce.
- The Z-SBDC needs to focus on developing additional for-fee services and providing more program support and services to existing businesses.
- The Z-SBDC needs to focus on expanding its network of consultants, business advisors, and training specialists through recruitment efforts and by developing institutional partnerships with universities, technical institutes, private companies, and individuals.

5. Specific Action Items and Timeline for Achievement:

- Continue conducting an aggressive advertising sales campaign to increase revenues from printing services, advertising, and employment services (August-October. 2012)
- BDS needs to work closely with the Z-SBDC director and staff to help them develop action plans to diversify their funding sources, including developing contracts with GOI organizations, other donor organizations and programs, and private corporate sponsors (ongoing)
- BDS needs to assess options for shifting the sponsorship and registration of the SBDC from the NCOC to an independent NGO