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### **SBDC Performance Appraisal**

Parent Organization (PO): Nassiriya Chamber of Commerce  
Date PO Established: 1958  
Date SBDC Established: The Zakura SBDC in Nassiriya was established in April 2008  
SBDC Maturity Stage: Three (108/150)  
Assessment Date: February 1, 2012 (4<sup>th</sup> Quarter Assessment, 2012-2012)  
BDS Advisor: Clifton Barton

Signature of BDS Advisor:

Comments by BDS Director:

The Z-SBDC has continued to perform well during this past quarter in implementing new revenue-generating services, including their marketing and advertising center and their new business newsletter project. In addition, they have been approved for a new grant to establish an employment services center that will provide the SBDC with additional revenues to sustain their operations. The Z-SBDC is well managed and has performed well during this past quarter in implementing the Iraqi Youth Initiative (IYI), including the YEAF and YEP components. They are also making good progress 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 is their relationship with the Nassiriya 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. This registration issue is a priority problem that needs to be addressed during the next quarter.

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 1<sup>st</sup> and 2<sup>nd</sup> 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 and its business newsletter and advertising services program.
- The Z-SBDC has been one of the top performers involved in implementing the IYI program. In additions, it has been offering 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.

## **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 1<sup>st</sup> 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:

- Dealing with USAID and other donor reporting requirements will continue to place heavy demands on Z-SBDC management and staff. Continual efforts will be needed to upgrade financial accounting and reporting as well as project reporting capabilities.

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.

## **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:

- The reporting requirements for IYI place a heavy burden on Z-SBDC's small staff; however, these demands will decrease as the IYI program winds down. They need to focus providing regular training for project managers as their workload increases.

### Recommendations:

- Z-SBDC needs to assess the impact its activities
- 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:

- The IYI program has placed a heavy demand on Z-SBDC management and staff resources. However, they have continued to perform well with their community



outreach efforts, including promoting their programs and services through a number of channels, including TV, radio, Internet, and conferences and business forums.

Concerns/Issues:

- The Z-SBDC will need to recruit and train new program managers in order to manage the increased work load that the IYI program and its new marketing and printing services center is producing.

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

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 the new Marketing and Printing Center 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**

<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>2</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	0
	Board of Directors is providing effective oversight	n=0, y=2	0
<b>STAFFING AND RESOURCE UTILIZATION</b>		<b>0-12</b>	<b>12</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	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
	<b>GOVERNANCE, LEADERSHIP AND ORGANIZATIONAL ISSUES Score</b>	<b>0-35</b>	<b>31</b>
<b>PROGRAM DELIVERY AND MANAGEMENT</b>		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	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
	<b>PROGRAM DELIVERY AND MANAGEMENT Score</b>	<b>0-35</b>	<b>33</b>

**SERVICE DELIVERY PERFORMANCE**

SERVICE DELIVERY	value	score
<b>Average number of donor-funded training sessions conducted/quarter</b>	<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
<b>Ave. number of other donor-funded programs conducted/quarter (not training programs)</b>	<b>0-5</b>	<b>0</b>
	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 →
<b>Number of for-fee training courses offered /quarter</b>	<b>0-5</b>	<b>3</b>
	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
<b># of clients who paid to participate in training programs/quarter</b>	<b>0-5</b>	<b>2</b>
	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 →	
<b>Number of for-fee business services offered during the quarter</b>			<b>0-5</b>	<b>3</b>
		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 →	
<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>15</b>

**SBDC INSTITUTIONAL CAPACITY DEVELOPMENT Total Score 0-100 79**

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 →	29
	100%	if Tijara is 40-49%	score 30-39 →	
		if Tijara is	score 40-	



		25-39%	49 →	
		if Tijara is 0%	score 50 →	
<b>FINANCIAL VIABILITY Score</b>			<b>0-50</b>	<b>29</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>79</b>	<b>29</b>	<b>108</b>

**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
- Z-SBDC needs to focus on diversifying its funding sources to enable it to survive after IYI funding ends.
- The Z-SBDC needs to focus on developing 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 (May-Sept. 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