

# TECHNOSERVE

R&D

## Case Studies

BUSINESS ADVISORY SERVICES TO  
SMALL ENTERPRISES AND LOCAL  
NGOs IN AFRICA  
Pluses and Minuses

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Case Studies in  
Enterprise  
Development



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Business Advisory Services to Small Enterprises and Local  
NGOs in Africa, Pluses and Minuses.

by Thomas W. Dichter

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## Preface

This Case Study is the fourth and last in a series which the Replication and Dissemination Department at Technoserve undertook to produce in 1986. The first three (two from Latin America and one from Africa) each dealt with a single project. This fourth study deals with a program rather than a single project, and discusses that program as it has worked in two different countries. It is also more discursive regarding the reasons why such a program makes sense in Africa as a whole and in trying to illuminate the problems in implementing it. As such it represents a transition towards a series which will deal with programmatic issues, commodity sectors, and regions of development rather than with single projects.

The case has been written with two audiences in mind. We hope that this procedure works here. First we wish to communicate to others in this field why we think such a program is not only necessary and timely, but in fact critical in Africa. But at the same time, we are self-critical about some of the conflicts our own organization has faced in managing such a program. Hence, our second audience, ourselves, may conclude that a BAS type program, given Technoserve's present structure and priorities may not be something for us at this time. However, I make no such recommendation, believing that it is an appropriate program for Technoserve, and that conflicts could easily be resolved were there greater commitment to the BAS program as a key element in Technoserve's program mix.

## Chapter I

### Executive Summary

The Business Advisory Services Program in Africa was begun by Technoserve in Ghana in 1979. The program was formally designed to provide limited services to local non governmental organizations (NGOs) and community groups or other entities with the potential to have a positive impact on improving the lives of low income people, primarily through efforts geared to economic improvement.

These services included those which are classically associated with modern business: general management advice, accounting systems design, reviewing administrative structures, assistance in recruiting personnel and advice on remuneration, as well as services which would be associated only with the non profit sector- assistance and advice in fundraising (including review of proposals, feasibility of project plans and so forth) and finally assistance in locating specific needed technology and equipment. In general we think of such services as "nuts and bolts", very important, but very basic.

Originally, the Ghana Business Advisory Services was 100% demand driven - we had been asked by USAID to fill an urgent need for such services. The original concept was therefore an ad hoc response to a problem. When the initial project was formalized as part of Technoserve's Ghana program, it was restricted by Technoserve Management to a fixed percentage of its Country Program, initially in Ghana, then later as BAS was introduced in our Kenya Program (BASIG and BASIK respectively). We were very clear in wanting to assure that the Business Advisory Service would be a secondary aspect of the overall Technoserve program in Africa. The primary part, Technoserve's main line of work, would continue to be the promotion of and long-term integrated assistance to medium scale agriculturally related community enterprises. From the beginning there was a clear perception of the need for the BAS in Africa and yet a firm decision to limit the company's willingness to meet that need.

The argument for that limitation was and remains our concern to use our resources cost-effectively. With a professional staff and a product that consisted entirely of the skills our staff had to offer, we knew from experience that such a staff was best used in long term on the job, fairly concentrated applications. To justify such assignments, the applications had to be ones with the potential for economic and social impact of some scale. While such resources could be effectively used in very short term, consultative types of situations which the BAS offered, the danger was present in a BAS, because of the extent of the need for such services, that our resources could be easily squandered. Hence the controls on the BAS.

The original conception of BAS justified our engaging in it on

two grounds. First we saw that we could fill some of the need. This was the external justification. But in order to do this we had to see some internal advantage to our organization that would somehow contribute to our main work. The BAS seemed a means to identify new primary projects. It also seemed a means to make efficient use of staff who were between long-term assignments. Finally, it was seen as an effective way to train new staff.

If BAS were to be launched in the developed nations as a profit-making entity there would be no story to tell - just one line: "Company sells business services to clients." Nothing more would be needed since it would be a fair assumption that most readers would understand all that this entailed.

But Africa is a fundamentally different environment and the services provided to unsophisticated clients are being provided by a not-for-profit company with a clear mission to assist in long term African development. As a result the services are both more and less than what the words describing them suggest. They cover other, underlying functions. Because of the nature of the environment, what we were really offering through the BAS was a catalyst service, an information service, a legitimizing service, and most important, a brokering service.

For these reasons, telling the Business Advisory Services Story is useful to those interested in development projects in Africa. Business Advisory Services illuminates the issues involved in the management of enterprise development and/or even project development in general in Africa. Through it, we see many of the conflicts that are endemic to PVO's trying to work in Africa.

In Sub-Saharan Africa, the need for what the BAS has to offer is so great, that to run a Business Advisory Service, as we have, with the caveat that it be a secondary (and thus inevitably "second class") priority in our overall program poses an almost impossible challenge to its program managers. Because of the knowledge that it is secondary, and because the work we try to do on the continent is so difficult, it is natural for program managers to pay less attention to such a program and hence allow general standards of selection and practice to fall below those that are applied to the primary program. The tendency to allow the BAS to become a "catch all" program was almost built in from the start. That tendency is reinforced by the common day to day characteristic of many development agencies to be crisis managers. With BAS it often became easier to just respond to requests than to think about the appropriateness of the response.

Hence for awhile, the BAS in Ghana and in Kenya lost rigor, became fragmented and lost the thread of what constitutes the best of Technoserve. The fact is that it becomes almost impossible to see the larger picture in an environment where needs are such that any hole plugging at all seems to be of some positive value, and thus is sufficient motivation and feedback to have one continue in the same direction without stopping to question it. The BAS program is an excellent way to see this

because its origin is purely demand driven.

The demand is continuous. Interestingly, so many of the cases where the Business Advisory Service intervened, needed not integrated and complex interventions, but rather a mere one or two day "surgical" type intervention in order to make a large difference, sometimes even a critical one. This has been something of a surprise for us. On the one hand, such immediate positive feedback is a welcome change from the normal frustrations of development practice. But on the other, the danger is that we can be easily lulled into just churning out a great many of these and, because the numbers start to look good on paper, beginning to think we are accomplishing more than we are.

The broad lesson learned is that to be even minimally successful in promoting rural development an organization has to go into an endeavor with great care, rigor and full commitment. With even a subtle compromising of such intentions, it becomes extremely easy to become fragmented and lose the thread.

The story of the Business Advisory Service Program for us is therefore, internally, a useful mechanism to reinforce what we intuitively knew. For an external audience, the story of the Business Advisory Service Program shows lessons learned about the sequence of development and growth among local community groups (both local NGOs and other kinds of groups) in their relation to the environment in Africa, and affirms how great a need there is, in spite of its challenges, for a program like this.

In particular, the study is timely because of the current increase in awareness of the need to strengthen the management and administrative capabilities of local NGOs. There is a danger that this awareness will result in a focus on fundraising, relations with the Northern PVOs, and much talk of Program priorities and philosophies. If that occurs, an opportunity to get things started on the right foot will have been lost. What this study shows is that the old adage of "first things first" applies everywhere. First, organizations must get their basic machinery working - the nuts and bolts need to be attended to, and with care. Such efforts are all-important, however unglamorous they may seem.

The question is: How can such efforts be efficiently managed? By whom? And What do they need to be connected to and integrated into?

## Chapter II

### History and Chronology of the BASIG Program (Ghana)

#### A. ORIGINS - GHANA 1979

The Business Advisory Services concept originated in Technoserve's Ghana Program in 1979. That first program was called Business Advisory Services in Ghana (BASIG). (When Kenya and Zaire started similar programs they were referred to as BASIK and BASIZ respectively.)

The original BASIG, began as an almost purely demand driven program. In fact its origin could be cited as a textbook example of that much desired pattern.

In early 1975 USAID /Ghana put together a paper for a project called Farmer Associations and Agribusiness Development (FAAD). The project would grant about 3 million dollars of USAID money to be channelled through local PVOs who would help farmers create associations geared to the establishment of agricultural related businesses. The goal of the project was to increase productivity in rural areas, thereby providing jobs, income, better health, general improvement in the quality of life - all of which in the mid 1970's had become the standard expectations of U.S. foreign aid after the so called "New Directions" mandate of 1973 had come into being. [The "New Directions" mandate generally refers to the shift in emphasis towards more of a focus on the poor and an ideological shift towards what some have called the "distributional objective". This resulted in programs which were hoped to have a positive effect on, among other things, income distribution and land tenure.]

The FAAD project was designed to grapple with the hard practical issue of how to actually implement the New Directions mandate. Ambitiously, the FAAD concept was an attempt to do all aspects of the New Directions at once. USAID wanted to multiply the projects' effects and have its money be managed by local organizations, getting itself out of the actual business of running projects. The new basic assumptions included, most prominently, the ideas that 1) local involvement was important; 2) that the grassroots levels had to be reached and 3) that PVOs (Private Voluntary Organizations) could do the job. It was also expected that after a few years of such projects the wider social and long term developmental benefits would begin to fall into place. The grandest of these hopes was that the countries in which the new directions were to be applied would be positively furthered along the road to democracy, and accordingly would show improvements in social equality.

The guiding image behind this new mandate seems in retrospect to have been one of a great build-up in momentum which would sweep upward (towards societal perfection), all that was funnelled into its path. Moreover, this would happen organically, without violent revolution. The inherent mechanics seemed to be modeled

on those of the chemical reaction. One talked about "catalysts", "unplanned effects", and "absorption" of new skills by indirect beneficiaries.

It is clear that this was a time of great hope in development. In Ghana alone USAID had 30 to 40 professionals. As one of our staffers at the time described it, "Those were heady days. Money was readily available, and AID people in Ghana were under the gun to get projects going."

Technoserve was one of seven PVOs which expressed interest to USAID in 1975 in presenting sub-project proposals under the FAAD umbrella. The others were Agricultural Cooperative Development International (ACDI), YMCA, YWCA, Catholic Relief Services (CRS), Christian Council of Ghana (Christian Service Committee) and the Ghana Rural Reconstruction Movement.

At the end of 1977, Technoserve's proposal was approved for work in the sugar syrup industry. We received a \$500,000 grant for three years.

Very soon after Technoserve began its work it became clear that the other sub-project grantees were having varying degrees of difficulty getting their projects going, and, in a couple of cases, even reaching a satisfactory conclusion to the initial proposal process. In early 1978, USAID came to Technoserve and asked us to assist the other PVOs which were to be given the FAAD grants. We were to provide management assistance, help in shaping proposals, and generally help to get these other organizations to a level of mastery of the nuts and bolts of organization and management without which, everyone was now realizing, they would of course not be able to get very far with their sub-projects.

In a word, USAID saw its grants threatened and asked Technoserve to help rescue its investment. In late 1978, Technoserve formally incorporated this service into its role in the FAAD grant, under the name BASIG. A Preliminary Project Report was submitted internally to the Technoserve Management Committee in February 1979 for approval of BASIG as a full-fledged part of Technoserve's portfolio in Ghana.

USAID acknowledged the value of Technoserve's services. The May, 1980 USAID evaluation of FAAD (project # 641-0072) by Dimond, Fuchs-Carsch & Warren notes: "A spin-off of the original project was the design of BASIG, the Business Advisory Service in Ghana, which provides technical and managerial advice and conducts feasibility studies for other PVOs, for private companies, and for local groups...." (p 66).

The report goes on: "Technoserve has played a major facilitative role in technical and managerial services for other FAAD PVOs, assisting with feasibility studies, the design of information acquisition activities, etc.; clients have included GOVA, GhRRM, CSC, APPLE, CRS, as well as PEA, YWCA, World Education, MIDAS,

Salvation Army. In 1979 189 man days were spent in an advisory role to other FAAD PVOs through BASIG. This service, along with Mission support, is improving the capacity of PVOs to handle complex projects." (p 68)

The August 11, 1980 USAID Project Evaluation Summary notes: "FAAD has given rise to two positive unexpected benefits that will contribute significantly to the role that PVOs can play in Ghanaian development. The BASIG program of one of the FAAD sub-grantees, Technoserve, provides technical consulting services to other PVOs and Government institutions. The need for these services arose in large part from the problems FAAD sub-grantees experienced in implementing their projects. The spirit and intent of FAAD, as expressed in the Project Paper, explicitly precluded such technical support from USAID. This wise provision has led to the highly desirable effect of the PVO community helping itself."

And USAID/Ghana Mission Director W. Haven North, in a memo of 12/3/80 noted:

" One of the U.S. PVOs has been providing administrative and technical support services to the indigenous PVOs, which have a wide range of needs in project implementation."

This last, rather understated summing up of BASIG suggests that these "administrative and technical support services" were seen as useful, if unexciting, afterthoughts; services which were not originally considered important enough to be built in to the FAAD concept at the outset.

Nonetheless, as the record shows, such services; the basic nuts and bolts, eventually were admitted as the sine qua non of the project. The other PVOs (and the ones we assisted, as the list above indicates, were not all local) could not implement projects if they were unable to manage their own houses. If, for example, the books couldn't be kept properly, or the vehicles maintained so that field trips could be made, then projects would be unlikely to get off the ground, much less ultimately succeed.

Through the FAAD project, Technoserve had discovered a market that it was in a perfect position to serve. That market, furthermore, had come to us. BASIG was originally market and demand driven. No better or more natural confirmation could have existed to "feedback" to the organization that what it does is valuable and useful.

It is of more than passing interest to note that today, seven years later, development ideology has shifted so much that market place criteria are now central in development program design and that improvement of the management of the organizations which provide development assistance is now recognized as a widespread need.

## B. TECHNOSERVE TRIES TO INCORPORATE BASIG INTO ITS ENTERPRISE DEVELOPMENT PHILOSOPHY.

By 1979, Technoserve was 10 years old and was beginning to learn a few things from the mistakes of its early years. One of those lessons was the conviction that, as a small organization, it could only be of help to the Third World, if it kept a clear focus on one thing, and learned to do it well and thoroughly. That "thing" was enterprise development, which was then becoming further refined as enterprise development in rural areas, with agricultural or agriculturally related enterprises as the sub-specialty. This was to be Technoserve's main line of work.

A key tenet of this concentration was also gradually being articulated - developing viable and sustainable enterprises was extremely difficult and thus required concentrated efforts over time, perhaps three or more years per enterprise. Such efforts required building staffs of technically competent people who would remain in their positions for long tenure, thus improving and honing their skills.

BASIG had started as an informal response to a need expressed by USAID and other PVOs. But because the Ghana Country Program staff and some Norwalk staff in the Africa division recognized that we had accidentally come upon a "market niche" almost tailor made for Technoserve, it seemed to make sense to formalize BASIG as a part of the Ghana portfolio.

In February 1979, BASIG was submitted to the Norwalk home office of Technoserve for upgrading to full project status. The paper which was submitted to Norwalk's Management Committee presented the concept as a logical adjunct to the Technoserve portfolio. The goal would be to "strengthen development efforts which are targeted primarily to small business and agro-industrial projects in the rural areas of Ghana." The idea was to "broaden the impact of (Technoserve's) work through the provision of such services when not constrained by the service demands of its own projects or the limitations of available resources, human and financial."

The document continued:

"Only through this type of service will Technoserve have the opportunity to transfer its acquired capability and thus potentially multiply and expand the impact of its development program efforts."

Hence the link between BAS and the rest of Technoserve's program was the premise that development does not proceed in a vacuum, and that if it is to proceed, there have to be means to build the capacities of organizations all over the country to mount projects effectively. We were seeing the need for a cross-pollenization process with our organization as the honey bee. By helping to change the overall environment in which development was taking place, we would in turn be helping our

primary and long term clients, and creating potentially more viability in new and future clients.

We already knew that the kinds of skills Technoserve could muster were important keys to the development process. But through the demand for our services that the FAAD grantees manifested in that first year, we also learned, to our surprise, how rare those skills were amongst fellow development oriented organizations. When money was around (as it was in the mid 70s) organizations could get hold of it to do good things, but if they did not know how to administer it, it would be wasted. The fact was, that many of the funded organizations had no real capability to do what they were funded to do. From basic housekeeping, like preparing a draft budget, or setting up a vehicle maintenance plan to broader capabilities like recruiting or selecting personnel or even conceptualizing a project in the first place, or setting priorities or goals- many of the grantees had little or no experience. Yet, on the basis of good intentions and because of the push for New Directions money to get out to the Third World, they were on the verge of being granted hundreds of thousands of dollars. (This is the classic and persistent problem in development assistance -of programs being supply driven.)

Technoserve moved to fill the void. It saw a match between need, capability and opportunity. But we went in quite reluctantly, in fact. Given the good marks we were getting from others and the obvious value of our services, it would have been natural to get carried away with BASIG. Norwalk headquarters cautioned against this. There was also skepticism about the long term pay-off of such a program. Nonetheless, it was decided to allow BASIG as a formal part of the portfolio in Ghana, but with the strong reminder that the organization would keep its eye solidly on the ball of long term intensive assistance to agricultural related enterprises. This was its main business and would remain so. Right from day one, therefore, limits were imposed on BASIG.

In its original conception, BASIG was to limit itself to 7 key areas:

- evaluation and assessment of ongoing economic activities
- feasibility analyses (e.g., market, supply etc.)
- management consulting
- financial planning
- services in support of conferences, seminars, etc. which focus on economic or business related activities.
- identification of technical requirements and sources of information
- advice in the sourcing of capital goods.

As the headings suggest, there is a lot of room under each to do all kinds of things. This became more clear later but even at the outset, there was recognition that limits in types of activities were not enough - there would have to be limits on time and budget.

BASIG activities as a whole were not to exceed 30% of the operating budget for Technoserve's program in Ghana. Services in excess of 4 person days per month to any one development agency or community group would require reimbursement on a sliding scale basis (ability to pay).

### C. THE EMERGENCE OF CONFLICT BETWEEN FUNDAMENTALLY DIFFERENT PRINCIPLES OF DEVELOPMENT.

The original BASIG concept had to have limits imposed on it by Technoserve Management in Norwalk, because in the first instance, it was immediately recognized that there was a potential practical conflict around the use of staff.

Technoserve's main line of work -the promotion of and assistance to agricultural community based enterprises of significant scale- required substantial staff interventions. A full enterprise project could involve the direct management of an enterprise for a couple or more years, the training of counterpart personnel, and the involvement of perhaps as many as 4 Technoserve advisors. These investments of resources were (ideally) made to enterprises which had the potential to become economically viable and provide income and jobs to more than just a few people as well as to create backward and forward economic linkages. We did not want to have BASIG become the tail wagging the dog of these primary enterprise development projects. Yet, obviously the very same staff members would be involved in both kinds of activity. Would we be able to control staff time so that BASIG would not exceed its proper share of such time?

Above all, BASIG was not to get involved in hands-on implementation of projects. This was the key to its restricted nature. It was to remain an advisory service, a consulting service. To cross the line between advice and implementation was to cross the line between BASIG and the rest of Technoserve's work.

Not surprisingly these practical conflicts were merely the tip of the iceberg - indications of deeper conflicts about principles of development. The pluses and minuses of the BAS concept emerge from these conflicts, as we shall see later on.

Technoserve had learned for example, that being forced to live with the results of one's advice made an enormous difference in the kind of advice we gave and explained what success we had had so far. This was why in our main line of work, we not only stuck around for the implementation of what we were recommending, but got directly involved in it. To take an arm's length stance (the usual stance of consultants) was something we increasingly were opposed to. We are after all a non-profit organization, and though we offer "management services" of the same sort for-profit organizations do, our motivation and commitment is radically different than theirs (ultimately our product also differs in significant ways). It is known that many for-profit management

consultants do not bother to ever find out whether their advice was taken, and consequently do not learn in any rigorous fashion whether they were right or wrong. They therefore do not necessarily learn how to improve their product. And yet, here, under some aspects of BASIG, we were proposing to do something quite like what our for-profit "consultant" cousins do - go in, take a look, give advice, and get out.

Still, the need for BAS in Ghana was palpable. BASIG was demand and market driven and that coincided with another important principle we had begun to accept as key. Also, we were becoming more and more convinced of the importance of "nuts and bolts" and saw that sometimes only a few of these nuts and bolts - fundamental building blocks of skills and knowledge- were needed to get an enterprise going or back on its feet. So, in a somewhat unarticulated way, we justified BASIG as an experiment with good potential multiplier effects and began to embrace a concept that is the opposite of the principle of integration of advice and implementational responsibility- the idea of a surgical intervention, a catalyst, an intervention that, however small, might be "just enough" to make the difference.

Recall also that originally, the focus was to be on OTHER PVOs, not on projects themselves. We were to be enhancing the capacity of others to implement their projects. Only with the project's formalization a year later into an "official" part of the program mix in Ghana did BASIG become a service available directly to local groups and enterprises of all kinds.

Once at that point, BASIG had built into itself a way out of the dilemma in that any tendency to do more than just intervene on a consultative basis was taken as a sign that here might be a potential project for Technoserve's main line of work- a full scale enterprise development intervention. Thus, in theory at least, if Technoserve were called upon to take responsibility for project design, planning or implementation, the request or invitation would be kicked up to Technoserve's normal project procedure and out of BASIG, thereby making the client eligible for a more integrated kind of technical assistance.

Later on, we would begin to see this aspect of BASIG- the possibility of identifying new projects, as a more central reason to continue the program. By 1983 "New Project Identification" became one of the main justifications for a BAS program in Africa.

#### D. ORGANIZATIONAL ADVANTAGES FOR TECHNOSERVE ITSELF IN STARTING BASIG.

There were practical reasons for starting BASIG that had to do with the nature of some dilemmas that Technoserve was facing in Ghana at the time. In a 3/6/79 memo to the Executive Committee of Technoserve from the Africa Division we see that part of the *raison d'etre* of starting BASIG had to do with the general poor

state of things in Ghana:

" As you know, business and political conditions in Ghana are such that we do not feel we can justify starting any more traditional TNS "enterprises" at this time. The BASIG consulting project will nevertheless allow us to share our know-how in Ghana, hold open our options in that country and further decentralize our activities."

We were looking for new ways to keep our hand in in Ghana and remain effective. BASIG began to seem like a logical way to do this. Especially since, it was seen rather early on in the project that BASIG was a low risk way to take a look at potential full fledged enterprise projects. Through such limited assistance, even if we were once removed from actual projects by working with local PVOs, we could get to know new areas, new groups, and have the time to see whether or not a potential full scale project was in the offing.

And of course we had the staff capacity to address the demand that was responsible for the origin of BASIG. Technoserve could not have, and would not have begun the program if we had not had at the time 6 very solid professionals on the Ghana staff. But there was a side advantage to us as well. Four of these 6 seasoned professionals were expatriates who were new to Ghana. BASIG quite naturally became an efficient way for these newcomers to gain a variety of experiences in short time.

#### E. THE EARLY WORK OF BASIG - INTERNAL CONTRADICTIONS EMERGE

We had anticipated the danger that BASIG could become too large a part of the portfolio; that it could be the tail wagging the dog. We knew in theory that it might draw some of our principles into conflict.

But once established, practical day-to-day realities gradually emerged and we had to learn to continue working within the contradictions, without necessarily resolving them. Naturally, the implications of some of these were not fully seen until several years later.

##### 1. How to Say 'No' - The emergence of the "catch-all" syndrome.

This problem arose naturally. Not knowing quite what the nature of a particular group's problem is before taking a look at it, it is difficult to say no to a request for assistance at the outset. In our main line of work this does not present a problem. But in BASIG, because the time spent understanding the group's problem is also time spent analyzing it, we can end up providing assistance before having really decided to do so. Alternatively time spent understanding a problem may be equal to the time allowed to solve it, or some other group's problem. Because BASIG is a short-term assistance, this can raise the opportunity cost of even investigating requests for assistance. Thus

selection rigor is sacrificed. One can get trapped into doing things that are inappropriate for BASIG.

Since an assistance organization is by its nature in business to assist others, those others naturally keep coming to its door, regardless of whether the fit is right. Since all kinds of requests were almost always coming into Technoserve/Ghana, the existence of BASIG made it tempting and in fact sensible to investigate them under the BASIG mandate, a mandate which we had not had before. Thus immediately, as of July, 1979, we already started to put more under the BASIG umbrella than the original project mandated. (i.e., more than just working with local pvos and community groups).

Technoserve staff believe that all inquiries should be responded to promptly, politely, and with an honest attempt to see if there was a fit between what they needed, what we could offer, and the opportunity cost of those cases when their need and our skills matched. BASIG began to alter our formulae for determining opportunity cost since once formally launched as a legitimate activity, it now became possible to place a small request on the Technoserve docket which before would have been turned down. As BAS evolved in Ghana and later in Kenya, this characteristic began to become a problem.

A few examples from the first year of operations are illustrative. Here is a sample of both appropriate and inappropriate requests:

July, 1979- Gbekson Engineering - a metal products company requested Technoserve assistance. Request appeared to be inappropriate for Technoserve. We implied that in our reply and noted also that due to shortage of petrol a visit was not possible.

December, 1979 - Gbekson Engineering persists. Technoserve agrees to meet with them in order to more formally explain why it cannot help. Meeting is held and some advice given.

October, 1979 - G.A. Deku, a private owner of a pineapple project, sought advice on export problems. Technoserve responded with a letter inviting Mr. Deku to the office. Discussions held.

November, 1979- Samben Coop Farms requested help on sugar syrup production. Technoserve responded by asking to meet with the group in Accra office. Meeting held and specific advice was given to the group.

November, 1979- World Education seeks help on technical aspects of charcoal production. Advisors meet with World Education.

November, 1979 Paramount Chief Bassaw, through World Education, seeks advice on the sourcing of a sugar cane

crusher. Analysis of the use of the crusher done before giving advice on sourcing.

March, 1980- Chief Kwesi-Tandoh IV seeks advice on cassava production and processing. Analysis of his group's operation undertaken.

## 2. The Nature of Supply and Demand Compromises Selection Rigor.

In some of these cases, no input was made until a meeting was held, during which some general advice was given. In others, substantial staff time was put in on the request response itself (one half to one and a half person days). The determinants seemed to be whether we were in a position to help rather than whether the group itself or the commodity or enterprise itself was an "appropriate one". In short the rigor of selection that we tried to bring to our regular work (where, if the group was not properly constituted, or not of a certain type, or if the commodity was not agriculturally related, we deemed the project inappropriate) was not applied here. We were free to offer our expertise, as CONSULTANTS, to most, if not all comers.

## 3. Limiting Time - The-One-Thing-Leads-to-Another Syndrome.

In the case of Chief Kwesi-Tandoh IV, for example, our analysis of the group's cassava production operation showed, among other things, that the group was having a chronic problem with the v-belt on the grinding machine. Our engineer on staff drew a diagram of how to align the v-belt on the cassava grinder. He drew the diagram in such a way as to be understood by the operators and followed up with some on-the-spot training. This turned out to be a key step to solving the group's production problem. It took perhaps one and half person days time. But while we were at it, since we had had to take a broad brush look at the whole operation in order to discover that problem as a key one, we couldn't help but note some other problems. In effect we could not just walk away having solved one problem, when we had, or thought we had, answers to some others. We therefore contributed those as well. This took additional time.

In another case, we were asked to provide impartial guidelines on salary scale to a local PVO. This seemed initially something simple and short. But we saw quickly that it couldn't be done properly without conducting a survey of local practice. Even the somewhat informal effort we conducted took considerable time to do.

The range of services performed immediately became very broad - from administrative and managerial advice, to legal services, to engineering design, to locating equipment, to acting as a broker for funding, to conducting feasibility studies and so on. The commodities we dealt with represented an even broader range. We responded to requests from groups or individuals involved in road construction, fuelwood, lake fishing, shrimping, cocoa, solar

energy, tailoring, cane weaving, blacksmithing, sugar cane, rice, pottery etc. We were beginning to see the extent of the demand for what we had to offer, and beginning to understand that there was more to "business advice" than the seven functions listed under the original BASIG mandate.

Some of these additional functions emerged in cases where our fit with a request was clearly inappropriate. For example, several times we were approached for a gift of funds to buy a tractor or a diesel engine. We would say no, but in some cases, in the course of saying no, the meeting resulted in us discovering that the group did not in fact need the machinery it was asking for. (Pointing people towards facing their real problems, became another function that the BASIG program could offer.)

In other cases where the request was inappropriate for BASIG's formal mandate, we did in fact make an input if we saw that our weighing in would be the sine qua non for the particular group or entity making the request. For example, The Caanan Coop Food Farmers Society, an established group that seemed to know where it was heading and how to get there, came to Technoserve to say that they were unable to obtain tractor services from the Ministry of Agriculture. Technoserve, through its connections, was able to successfully put through the request to the Ministry on behalf of the society. If such a small input can make such a big difference, why not go ahead and help?

We usually provided such services because it was often the case that to spend time analyzing whether or not the request was appropriate when giving the service might take less time than the analysis. Initially it seemed to us that such selection was an absurd luxury.

#### F. A MAJOR PLUS OF THE FIRST YEARS - THE DISCOVERY THAT SOME PROBLEMS IN DEVELOPMENT ARE EASILY SOLVED.

For the most part, the contradictions which emerged in the first year of BASIG did not seem serious. The tendency to become a kind of catch-all project was checked because the organization held so strongly to the precept that our main business was developing agricultural enterprises of significant scale with numbers of equity shareholders and owners. Later on, some of the early tendencies became more of a problem. But in the first couple of years, we were more interested in the positive surprises. The successes were rewarding to a staff accustomed to frustration. We were often surprised by the degree to which short, "surgical", low-resource inputs could make big differences. We were also seeing how well the more subtle level of BASIG type services fit the environment (the extent to which BASIG was a catalyst service, or a brokerage service for example).

We had been convinced, as are most practitioners of development work, that one of the major errors in development to date had

been the underestimation of the amount of time it takes to accomplish anything.

The Business Advisory Services Program seemed to indicate in its first couple of years that certain kinds of problems are solved in an extraordinarily short amount of time. We also tend to take the view that an integrated approach is the only insurance against project failure, that one must take a systems view, and that it makes little sense to attack only one symptom without looking at the entire system which may contain hidden problems which ultimately threaten the whole. By contrast, the Business Advisory Services Program indicates that a few days' work of a surgical, of minimal-intervention nature, doing just a little bit, will often solve serious problems, basic bottlenecks or stalls in the system. Providing the glue, the knitting together of loosely-structured fabric, can make all the difference with an existing project.

All in all, the first year of BASIG was very positive. Certainly the work we did for and with other PVOs had a significant multiplier effect. The smaller interventions, even those where fixing a v-belt led to other things, were still a tiny part of the expenditure. At the least they helped a few folks out, and at the most may have made significant contributions.

George Metcalf, Technoserve's Senior Vice President at the time, summed up BASIG's contribution by the third quarter of 1979 as follows:"

" Gregg Wiitala (Technoserve's Ghana Program Director at the time) estimates that our work with PVOs in Ghana resulted in their receiving under the FAAD project, grants totalling some \$3 million. Given conditions in Ghana, the BASIG program not only seems appropriate for Technoserve, but extremely valuable to the PVOs receiving assistance. Total number of people benefitting from Technoserve's work with these organizations is incalculable, but must be regarded as very significant. All of the activities I have checked on in the files relate to agencies whose own project and activities are in accord with our corporate purpose and project criteria. Their capability is considerably less than Technoserve's in almost all cases, and their vulnerability in attempting to operate in this environment is much higher than ours. Technoserve therefore is providing a very valuable service in favor of the U.S. foreign assistance program by facilitating to the extent humanly and organizationally possible appropriate evaluation and provision for services to PVOs to make good use of the funds they receive from FAAD and other donors worldwide."

### Chapter III

#### The Business Advisory Service Concept Moves Across Africa to Kenya. The BASIK Program.

The BAS concept, tailor-made to fit the demand in Ghana was not originally seen as something to be adapted to other country programs.

But the Ghana experience was making the BAS concept look to some in the organization like a candidate for other countries and roles. From a broad corporate mission perspective, the BAS program made it possible to test the waters in new commodity areas and new community enterprises at low cost and low risk. It was thus a mechanism to seed and identify new projects. This potential was becoming more attractive to Technoserve as it deepened its understanding of the tricky nuances of the enterprise development process, particularly the matter of community commitment to the enterprise.

The long term viability of a community based enterprise depended greatly on the degree to which the community participants and owners really had a stake in the enterprise (either through their labor or their money or other resources). In a start-up situation, there are many small steps to take before a new venture begins to look like an enterprise to which people might want to attach their hard earned equity. Such ventures are perfect candidates for a Business Advisory Service. And through the Business Advisory Service kind of assistance, Technoserve has a chance to take a much more thorough look at whether or not the apparent commitment of a group to a venture is real.

The BAS concept also began to show its value for the internal cohesiveness of an organization like Technoserve. As a training vehicle it was invaluable in that it gave new staff or staff new to a country a variety of experience in relatively short time.

Eventually we began to see the BAS concept as a way to explore Technoserve's entry into a new Country. It had clear advantages over the old ways. It is a mechanism which allows results to be seen fairly quickly. This is important in establishing credibility in a new country. It also is a protective coloring in that the profile is low, the extent to which one's neck is sticking out is limited. Where politics are unstable, this characteristic is helpful. Expectations on the part of local officials can also be held in check until such time as the organization has its feet more firmly planted locally.

Finally it is a way to hold the organization together in "bad times", bad times being a situation where appropriate mainline projects cannot be located, or if found, cannot be funded or , staffed. This can result in existing staff being short of work. As a strategy to keep a program going, when conditions for

full-fledged enterprise work are not right, the Business Advisory Service is a way to lay low until times improve.

In 1980, when one of the Technoserve's expatriate staff members in Ghana was moved to Kenya, he brought the BAS concept with him. Kenya staff was not keen on the idea, mainly because at that time, Technoserve/Kenya's professional staff were fully committed. The Kenya program portfolio at that time was solidly community based agriculturally related enterprises. There was simply no room for a BAS in Kenya (BASIK = Business Advisory Services in Kenya).

Nonetheless, the BAS idea was encouraged by Mike O'Donnell, who had worked with it in Ghana. Through a questionnaire it was determined that there might indeed be a need for such services in Kenya in such a way that Technoserve's overall Kenya program could be strengthened.

A BASIK project came into being in Kenya in mid 1981. It was seen initially as a mechanism through which to transfer our project experience and management capabilities to other development entities locally.

The markets for BASIK were ranked as follows:

1) - other enterprise development organisms and organizations, 2) organizations which had as their goal the improvement of living standards and 3) the service sector for number 1) and 2).

#### A. BASIK'S WORK WITH BOTH INTERNATIONAL AND LOCAL PVOs.

Like the original program in Ghana, when BAS was applied to other PVOs it proved to be relatively free of the contradictions we have discussed earlier. (Those appear when the Business Advisory Services concept is applied directly to beneficiary groups themselves; community enterprises, local businesses, small associations of one kind or another.) Here are some examples of BASIK's work with PVOs.

##### Foster Parents Plan

Technoserve/Kenya reviewed Foster Parents Plan's guidelines for assistance to small enterprise projects. This was a one day review of a set of documents with an eye to adding the benefit of Technoserve's experience in the field. Specific details of the FPP guidelines were commented on and certain changes in emphasis were recommended.

##### CARE/Kenya

TNS/Kenya reviewed a project proposal on goat raising as a women's income generation project for CARE/Kenya. This

assignment involved several discussions and visits between staffs over a period of months. Technoserve made specific recommendations based on its expertise and experience with both enterprise development and livestock as a commodity. Here we acted almost purely as consultants. Several aspects of our advice were not acted upon.

#### Church World Service

Church World Service asked for BASIK assistance in analyzing three potential candidates for their project support in Uganda. Because of the nature of the projects and our previous experience both in Uganda and in that commodity area, we were able to be of some assistance.

#### Meals for Millions

Meals for Millions asked for BASIK assistance in helping them recruit a director for their Kenya Program.

#### PACT (Kwaho)

PACT (Private Agencies Collaborating Together), a U.S. based consortium of PVOs requested BASIK assistance on behalf of one of its clients in Kenya- a Kenyan PVO called KWAHO (Kenya Water for Health project). PACT was supplying part of KWAHO's funding and wanted BASIK to help KWAHO to set up a financial planning and reporting system, which led in turn to other work for the organization.

These kinds of interventions are small but they represent an important step away from an old syndrome among organizations in development, the unfortunate habit referred to as "reinventing the wheel". Through BASIK, Technoserve has been able to offer other organizations the benefit of specific experience as well as help strengthen some of these organizations.

#### B. BASIK'S WORK WITH COMMUNITY GROUPS- A QUESTION ARISES ABOUT DEPENDENCY

Removed from the actual day-to-day work in development it is easy to talk about dependency as the key reason for the failure of many development projects. Theorists talk fairly easily about the need for the conception of projects, and the motivation for carrying them out, coming entirely from the grassroots; we are warned about the dangers of doing things for people. Ideally we would all like to find a formula to avoid dependence. But in practice the lines are not so clear between creating dependence and helping.

For Technoserve, again, our main line of work was seen as fairly clean in this regard. By carefully selecting enterprises which had demonstrably strong motivation and commitment, by ensuring that the transfer of skills was real and lasting, we had

developed some keys to reducing dependence on our outside assistance. But BAS, because of the non-interventionist aspect, and the deliberately short term of work associated with it, could not avoid an accusation of dependence. We were in fact very often doing things for others, and even when we began to try to do short term training under BASIK, it was still too short to produce clear-cut lasting results. The daily dilemma is of course that the needs are often so great that one does not stop to think about this issue, nor perhaps would it always be appropriate to do so.

Here is a letter to one of TNS/Kenya staff members following a speech which our staffer had given about our main line of work:

"Dear Mr. O'Donnell,

I was among the participants of the Action Aid Kenya Senior Staff conference at Kanamai when you delivered a speech there... Your lecture stimulated me to develop a very high level of confidence in your policy of doing the work in a no nonsense style rather than the common ineffective way of rendering advice while standing aside with both hands in your pockets."

The original limits of the BAS concept are thwarted constantly by the TNS practice of "doing the work in a no nonsense style" - a practice that results not merely from a compulsion to keep one's hands busy, but out of the reality of working with structures that are missing so many essential parts. In order for progress to be made, these nuts and bolts kinds of things have to come from somewhere. The situation is roughly analogous to the mechanic being called to adjust the carburetor in a vehicle and discovering that the battery is dead. Before he can proceed he has to charge the battery. In this way we found ourselves filling in gaps with whatever is needed, whether it fits the mandate strictly or not, or whether it appears likely to create dependency or not. In the final analysis we did not worry too much about the issue, since many instances of "dependency" seemed to be unavoidable, and even at times, a necessary part of the development process.

#### SALTLICK

Here is case where BASIK performed a subtle legitimation function as well as an actual service. A local PVO, the Semi Arid Lands Training and Livestock Improvement Centres of Kenya (SALT LICK) made an informal request for Technoserve assistance in April, 1983. This group wished to acquire a ranch to use as a training site, but of course had no funds with which to do this. The group needed help to raise money.

Geoff Burrell of our Kenya staff went up to the offices of SALT LICK at Mutara. As a result of his visit, the group made a formal request to Technoserve under BASIK. The group saw us as able to put together the appropriate data and supporting

documents to make a coherent proposal for fund raising with which to acquire one of several possible ranches in the area. We agreed, under BASIK, to study the ranches and put together the funding proposal. In addition, we agreed to present the proposal to Ford Foundation and Barclays Bank among others on behalf of SALT LICK.

Typically, such an arrangement leads to a greater involvement than originally anticipated. Besides the expertise needed to put together and write the original proposal, Technoserve also had the logistical and clerical ability to reproduce and file these proposals, additional roles it took on once it was clear that SALT LICK did not have those capacities. From 1983 to the present, Technoserve therefore also became a de facto clerical service for SALT LICK. On a regular basis, the head of the group would write to Technoserve asking for copies to be prepared and forwarded. For example, a July 11, 1985 letter asks:

"Could you please prepare for me four SALT LICK proposals for me to collect on 23rd July on my way to Europe to meet donors."

We see Technoserve, under the BASIK rubric, playing many roles. First legitimizing the group's plans by fleshing out its concept with data and solid argument, then writing its proposal, then lending credibility by introducing the proposal and acting on the group's behalf (brokering); then by acting as an implied guarantor for the group by appearing to stand behind it. The actual services included the feasibility study and research itself, as well as keeping the proposal on file, reproducing and binding new copies as needed by the group.

#### Limuru Boys Center

Limuru Boys Center is a non-profit agricultural school near Nairobi which brings in as students a highly motivated group of poor boys selected from all over Kenya. BASIK was asked for help in devising a stock control system, developing financial projections and installing an accounting system and training personnel in its use.

Here is a case where the BAS concept has worked out ideally. Technoserve input has been minimal, as intended, and even though Limuru has been a repeat client over a period of 2 years or so, there is real transfer of skills taking place, and little or not dependency. The stock control system, once learned, remains in place and contributes to greater efficiency of the institution. The value of financial projections is now accepted by key players in the school. And the new accounting system has taken hold and works. One of Technoserve's accountants makes a repeat visit every month or so, for as little as 20 minutes or a half hour, in order to monitor the new system and assist with any questions. These visits are being phased out as it becomes clear that the school personnel handle the system well. Limuru and BASIK worked well together in part because Limuru personnel were clear about

their needs, were committed and motivated to learn.

### Missionaries of Charity

One of Technoserve's first BASIK projects in Kenya was for the Missionaries of Charity on a two-acre plot of land 20 kilometers from Nairobi. This plot was overgrown with weeds and very poorly maintained, and the Missionaries of Charity were extremely short of funds and could not get funding for the small center that they had established there for destitute and retarded children. There was a well, but it was not functioning. The Missionaries of Charity had hoped to get a grant to begin some construction but, very simply, construction was not possible at the site because no concrete could be poured without a steady source of water.

Technoserve put in a pump, fixed up a pipe system with drainage, and almost directly as a result, a half-million dollar donation for construction was made possible. Here is a case where a small intervention of short duration was all that was needed to break the bottleneck.

### C. SOME BASIK CLIENTS BECOME FULL SCALE TECHNOSERVE ENTERPRISE DEVELOPMENT PROJECTS.

In the six years to date of the BASIK program, seven, or 5% of the total clients assisted (137) became full scale Community Based Enterprise projects. For these alone, the project can be said to be justified internally.

#### Ilkerin

Ilkerin Loita Integral Development Project is an example of a BASIK client which became a major long term project for Technoserve. Through a Dutch Volunteer, Technoserve originally was requested to help in repairing a water pump and generator on the ranch associated with the project. At the same time, through another local PVO we learned that the project was having accounting and financial planning problems, and was in need of advice on their livestock rearing program.

The project, originally set up by the local Catholic Diocese, was established to improve the lives of the local Masai people in the Loita Plateau. From 1973 on it had been supported by a Dutch Catholic PVO (CEBEMO). The project's principal activities were a local store for consumer goods, a store selling farm inputs, a dairy co-op, a tannery handicraft production unit, and a 3000 acre ranch which raises improved Sahiwal cattle for sale as breeding stock.

Under BASIK, Technoserve was able to get to understand the dimensions of this complex project and see clearly where it could be of use and estimate what would be required. Having engaged in a relationship initially of limited tasks and duration gave Technoserve the chance to check on the realities behind the

problems manifest in the initial request. When Technoserve approached the group with its recommendations for a full intervention, it knew what it was talking about and had a plan which was based on a realistic assessment of the needs.

## Chapter IV

### Business Advisory Services in the Present Day African Context.

The last two chapters have been a description of the Technoserve BAS experience in two countries in the early years of the program. We have touched upon a few contradictions which our experience brought out. These were discussed mostly in terms of their relation to Technoserve's overall program; the perspective was largely an internal one. The larger external perspective; the value of a Business Advisory type of service in Africa and as a necessary part of the overall development process, is now needed before we proceed with this study. This chapter puts the concept more interpretatively into its larger context.

The idea of offering business advisory and related services to local PVOs (NGOs) and small community groups - i.e., to the grassroots directly, is more revolutionary than it may seem.

First of all, such services and the skills behind them have traditionally been offered by the "big boys" in development, the World Bank and other multilateral and bilateral organizations. Likewise, they have employed those skills in the service of big clients - in effect, whole countries. Budgeting analyses, feasibility studies, commodity sector studies and the like have been conducted at the macro-economic level.

As these development agencies began to lose faith in the presumed inevitability and ubiquity of the "trickle down" of the benefits of such large scale interventions to the poorer people of the developing world, they sought ways to make their moneys and programs benefit poor people more directly. Not surprisingly they encountered problems.

Especially when they tried to create and foster intermediary institutions which could guide the process, the multilateral and bilateral agencies discovered enormous gaps and missing links.

For example, in the World Bank's efforts to create lending schemes for small and medium scale enterprises, gaps like the following were noted:

- The institutions involved lacked motivated personnel needed to analyze the potential of the enterprises.
- The institutions involved lacked the capability to develop the technical assistance needed to approve decisions on everything from loan collateral to equipment selection and sourcing.
- The institutions involved tended to be too centralized.
- The institutions involved tended to be too politicized.

A recent major report from the World Bank sums up these and other problems:

".. help for small enterprises should not be confined strictly to the provision of finance. It was believed that small enterprises suffered not only from a lack of access to finance, but also the ability to effectively utilize any finance should it be made available. They needed suitable technical and managerial assistance to prepare projects for investment and overcome operating problems."

"Since the Bank principally provides foreign exchange the help offered usually consisted of financing a number of foreign advisers to provide technical assistance to small enterprises. However, there is clearly a limit to the amount of assistance that such expatriate advisers can deliver in a cost effective manner and the absorptive capacity of recipient institutions. There is also a clear dilemma if advisers confine themselves to an advisory role and insist on working through their local counterparts, then their effectiveness will depend on the quality of the counterparts. On the other hand, if the advisers operate independently, they may achieve more effective results in transferring their knowledge and experience to a limited number of small enterprises, but after they leave, little remains other than improvements in the small number of enterprises they helped directly. Yet another problem is a tendency for expatriates to overstay. This prevents possibilities for local staff who could have the capacity to take over, and the most capable of these people may become frustrated and leave... Finally expatriates are both expensive and unable to understand local conditions quickly, which makes their use very expensive for SSE programs, which by their nature should be low cost operations in order to be reproduced on a large scale. It is clear that the Bank, as it is currently organized, does not have any comparative advantage in this role." (p. 33 in J. Levitsky, Review of World Bank Lending to Small Enterprises, Sept., 1985.)

It is not only the World Bank which has no capability in the role of advising at the grassroots level, but most large development agencies.

Because the experience thus far in providing solid technical assistance further down the scale has been fraught with problems for the World Bank, its report is not sanguine about finding a successful model of how to accomplish such a goal. For example, in three countries the Bank experimented with setting up "service centers" which were expected to provide training and technical assistance. The Bank concluded that:

"... five years after... it is still too early to judge whether they have fulfilled expectations. Moreover, all evidence of other multilateral and bilateral funded service

centers (in Pakistan, Kenya and Turkey) shows them to be costly investments that are grossly underutilized."

Clearly the Technoserve BAS program has something to offer. It is very much in line with the Bank's concept of a service center. From the point of view of the assisting organization, an operation like BAS overcomes many of the problems the Bank has cited, providing the service is founded on an organizational base such as Technoserve has. The BAS service has been non-political, non-profit, largely staffed by nationals who are permanent staff members of the organization and experienced in their specialty as applied to grassroots clients. Finally, it has been low cost, and relatively highly used.

Secondly, from the point of view of the recipients of the assistance, they are better served by a BAS type of model than by anything the Bank has tried. In order to understand that we need to examine the current circumstances of community groups, small farmers, small farmer co-ops and associations and other technical assistance "targets".

There are two relatively new circumstances at the African grassroots which seem to be rarely acknowledged in general discussions of the developmental dynamics of the continent.

1. The formation in the last 10 to 15 years, of local groups, associations and other juridical entities which are in existence either to help others develop or to directly develop local elements of the economy themselves.

2. The general effect on local life and expectations, of over 20 years of the active presence of what could be called the development industry, a phenomenon that increasingly can be said to be a kind of backfire effect.

These relatively new circumstances should in theory answer the need for greater integration of the grassroots with the rest of society. In fact, they often result in further disintegration. Hence the need for a type of business advisory service, with a broad range of functions, is greater than ever.

#### A. THE CORE PROBLEM IN AFRICA - LACK OF INTEGRATION OF SECTORS.

The dynamics of much of Sub-Saharan Africa today can be likened to a kind of reverse synergism. In synergy we expect that the whole will be greater than the sum of its parts. In present day Africa, the reverse is more often true - the sum of the parts is greater than the whole- the parts added together still do not constitute an integrated whole. Many of these countries can be said to be essentially unintegrated. There is no single system. There are many different parts within the system. They rub against each other without connecting, like tectonic plates underneath the surface of the earth, each from different geological eras and composed of different strata. Thus (to

switch metaphors) when one talks about the "fabric of society", that can be said to exist only in some abstract large cultural sense. More likely, in down-to-earth reality, a typical Sub-Saharan African country is a conglomeration of many different pieces of cloth, all of which together do not constitute a fabric.

To the extent that the nation holds together it is held rather thinly. In part, a "nation" in sub-Saharan Africa is held together by inertia; having been constituted as states upon independence, many new African nations hang on to nationhood by force of habit, aided by such abstractions as a constitution, and/or the seemingly flimsy symbolism of a name, a flag, a currency, a postage stamp, a national airline. Time has also reduced the options for change available to existing nations. Generally, the status quo as of 1970s has become more fixed because surrounding nations and the international system of geopolitics now permit less encroachment, and wars of secession (Katanga, Biafra) seem not to have worked. Internal strife can continue and erupts, but eventually things settle down and the ante bellum entity is reconstituted. In any case, people's references in every day life are narrower; more likely to be family, tribe, region, town, village.

In these fragmented entities, there are threads which weave their way through society, not so much integrating the parts as simply making some connections between them. The threads which seem to be almost universal in Africa are those which answer the need of people to make connections to the mainstream world of the monetized, market economy which increasingly pervades even the remotest parts of the continent. A common one that seems to work well is that which forms the informal (sometimes underground or even illegal) economy. Variants of that thread are smuggling or the semi-legal labor market. Threads like these, for many people, answer the immediate need for one key to that mainstream economy - cash income. This set of "informal" or underground threads seems to work quite well and efficiently, often more so than parts of the official or formal economy.

#### B. THE RISE OF THE DEVELOPMENT INDUSTRY AND THE GROWTH OF LOCAL GROUPS.

The set of connecting threads that interests us here is a little different. It does not work quite as well. It is above ground. It is comprised more of groups than of individuals. But it arises from exactly the same need to connect to the mainstream market economies. This is the development industry; probably the only continent-wide industry.

In the short space of no more than 20 years, there is now hardly a village in Africa that has not been directly touched by some part of that development industry. In some African countries (e.g. Kenya, Ghana) there are hundreds, if not thousands of small communities that have had direct contact with outside

"development practitioners". A very large percentage of these have been private voluntary organizations. These PVOs or "non governmental organizations" (NGOs), as they are referred to in Europe and the Third World, have been most adept in reaching the village level. They are also the growth sector of the development industry.

Such NGOs alone now account for 10% of total development assistance. Estimates today indicate there are at least 2000 such organizations channelling assistance from the first to the Third World.

But of much more importance is the rate of increase of local NGOs in the Third World itself in the last decade; that is NGOs formed locally by and for the indigenous people. These reach directly to even more thousands of communities. Various estimates indicate that there are now between 10,000 and 20,000 local NGOs in the developing nations. In Kenya alone, the growth of what one observer calls "local associative structures" has been almost fourfold in the last 5 years (from about 100 to over 370 in 1985).\* (\*see p. 4, Hendrik van der Heijden, "Developmental Impact and Effectiveness of Non-Governmental Organizations: The Record of Progress in Rural Development Co-operation", OECD, Paris, 1985.)

Though in the short term, there has been surprisingly little measurable economic impact given the size of this vast movement, it is of great importance in the long term. The evolution of such local groupings and their connection to the development industry probably constitutes one of the major forces for change in Africa.

Particularly for the poor and uneducated, access to the political and economic system has become more and more an arcane construction of luck, personal clout, and above all knowledge. The system, now, is not the tribal seat, which local people could see, know and understand, but something relatively unknown and far away in the capital city. Because these new "associative structures" are not out for private gain, they can act as protectors by getting the poor into the system. The danger is that if they are unable to accomplish this bridging function, there are plenty of actors around who want to and will prevent it. As one development worker has put it:

"Others with a little more education, knowledge and experience of how things work - how to obtain credit, who to see to get a permit, what to do about transport, how much to pay in bribes- would soon take over, and no one would stop them." \*\*(\*\* p 13, Millwood and Gezelius, "Good Aid" A Study of Quality in Small Projects" SIDA 1985.)

We are also becoming aware of the actual costs for poor people on the margins of society who do try to gain access to the system. People have to pay for gifts to officials, (not always easy to characterize as "bribes"), they have to pay for transportation to

get to the system, they often have to pay a scribe to fill out forms for them, and there is also the opportunity cost in lost time that these efforts take. Some studies of small loan programs for example, suggest that these "transaction costs" of trying to do business with the system can often equal or be greater than the interest that small farmers will pay on their loans.

But, the process of helping others gain access to the system, not to mention the progress of local development projects themselves, whether run by outsiders or by the people themselves, has not been going along very well so far. The fact is, that once many of these local groups are formed, they lack the necessary know-how to do what they set themselves up to do. They do not, for the most part, know how to take the next steps.

The most basic need for these local groups is to learn the nuts and bolts of management; habits like an accounting and bookkeeping system, so that one can follow the money one is charged with and make decisions about its use; a knowledge of planning, a sense of what to do to hire someone, an ability to administer and maintain a system that has in it things (like vehicles) which break down. These habits are learned. We take them for granted. But one of the great hidden problems of Africa, especially with this important set of connecting threads that is a key to grassroots development is that thousands of these "local associative structures" lack these habits.

By learning these habits such groupings can play an important role in African development. If the nation state system is to grow and mature in Africa then eventually more and more people must have a regularized connection with the structures that exist in the mainstream market economy; a connection that can be counted upon to be accessible by right of one's citizenship alone rather than simply because of a tribal or family connection. This impersonal nexus eventually would partially replace the personal one if the system is to evolve and grow along the lines that we associate with economic growth.

For good or bad that is the direction that the people of the continent want to move in and they at this point can do no more than grope along the path towards it. The present jury rigged connections that people make (combinations of the impersonal and the personal nexus), however we may marvel at their ingenuity and innovative "craftsmanship", won't do. They continue to keep the majority removed from the structures that be, and grant them little control over their limited resources and little access to the sources of growth.

In order to gain that access, the people do not so much need others to come in and "raise their consciousness" as much as they need a map and an honest broker. In spite of the growth in numbers of local NGOs, they haven't yet been able to play that role.

Many local NGOs and organizations were really set up and registered as formal groups or projects so that they could have juridical status and thus be in a position to accept funding. This is not to say that they do not exist to sincerely help others, but that no thought has been given to how to do it. Often they register, set up committees, hold meetings, elect officers and then sit dead in the water. Because they lack any clear cut plan or set of objectives, they do not do well in attracting funds.

If the absence of management skill is so great among the educated people who form many of these groups, it is even greater among those who are the members of community groups and rural community enterprises.

### C. LOCAL COMMUNITY GROUPS, ASSOCIATIONS AND NGOS NEED A BAS TYPE SERVICE THAT HAS NO STAKE IN THE SYSTEM.

For those on the margins of the system (and in Africa, the marginals are the majority) who seek to connect with both a mainstream "world" market and a modern nation state, there is not much hope, in the short term, that they can themselves learn the skills which will enable them to get around. The hope in the short term is that honest brokers will guide them. These honest brokers can either be the local associative groups themselves (which need to be taught the discipline and control of management and thus are likely clients for the BAS) or the outside Business Advisory Service, as provided by an organization like Technoserve, which can act as the honest broker directly on behalf of the poor.

It is important to distinguish between traditional "brokers" in the system and this new type we are talking about. The traditional broker exists everywhere, but in fact is as much a "gatekeeper" as a broker. These gatekeepers of the bureaucracy can use these inefficiencies of the system to keep out those they wish to.

There need to be brokers who know the system; know how to get around in it, but have no stake in that knowledge- who do not sell it for a fee. This brokering service with its map, can take a group of marginal people, and accomplish a seemingly simple task like registering a group of farmers as a cooperative, something which is as easy as filling out a form in this country, but in the Third World, can in fact be close to impossible if the system succeeds in intimidating you. But we also mean "brokering" in a much larger sense. It can mean several subtle but important other functions, such as acting as an agent, as a guarantor, as a legitimizer, or a lender of credibility to a group.

The Business Advisory Service has, at its core, this brokering function. It needs to be seen in the context we have depicted above. In the most neutral sense, it is what it says it is,

merely a service. But through its catalytic function in the kind of environment which exists in Africa, it is an essential ingredient. It is an unglamorous, almost pedestrian kind of intervention, but critical nonetheless.

D. THE NEGATIVE SIDE OF THE GROWTH OF THE DEVELOPMENT INDUSTRY - THE BACKFIRE EFFECT - CAN WEAKEN A BAS TYPE SERVICE.

The need for a BAS in Africa is great. But operating such a service is highly problematic. One problem is the backfire effect of the growth of the development industry and the accompanying local associative groups.

The broadened reach of the development industry has increased the awareness by rural communities everywhere that a development industry exists and that it can, first and foremost provide THINGS: money, food and other commodities. This impact is palpable. (Interestingly, this is one impact that is barely acknowledged in the literature on development.) No one who has worked in development assistance in the Third World recently can deny that people's expectations of outsiders have been shaped by years of such assistance.

In short what has happened is that people now expect Things rather than Skills. Sadly this effect has been created by those who now wish to see self sustaining entities in the developing world, and it is skills that create such entities, not things.

The core of the problem for the Business Advisory Service, a service which does not give away things is the difficulty of overcoming expectations about things, When what one has to offer is knowledge or connections or advice.

## Chapter V

### A Typology of Business Advisory Services.

As Technoserve's Business Advisory Service has evolved, it has become more difficult to categorize. It is a service by definition; but, is it management services? Financial services? Is it even development? Is it community development? Is it working at the grassroots in the usual sense?

Business Advisory Services is difficult to place because it is a new kind of animal. It cannot be thought of in the Western sense as purely and simply the service sector and, in the Third World sense, it is not the community development sector or grassroots development sector because of the short duration of the intervention. Part of it is clearly a nuts-and-bolts service (or a repair service) for groups which have started out wrong or have gone wrong--a group with energy and ideas but no mechanisms for implementation, or with no control of finances, or no knowledge of how to take the next steps, or a group which has decided it needs something that, in fact, it does not really need, or needs something it is unaware of needing.

Mike O'Donnell, Technoserve's first BASIK manager in Kenya says: "Business Advisory Services appears not to be very innovative because it is so nuts-and-bolts oriented. Just in the same way that firemen don't get credit for putting out fires, it is hard for people to see that a Business Advisory Services Program is significant and important."

The way to convey that is by showing the different possible functions it does and can perform.

A. ACTUAL SERVICES PERFORMED.

Between 1979 and 1985 the two BAS projects, BASIG and BASIK, provided services to a total of 242 separate projects/clients. (In addition there were repeat services to those same clients. That number is not included in the 242.)

Table I

		New Projects Assisted						
	1979	1980	1981	1982	1983	1984	1985*	Total
Ghana	39	na	(total new projects 81-85 =66)					105
Kenya	na	2	27	27	29	26	26	137

\* 1st half of 1985. Number of projects which became full Community Based enter-prise Projects after assistance under BASIK is 7 (5%)

We have data from both Ghana and Kenya for 1981 through the first half of 1985. During that period BAS services were provided to clients of the following type:

Table II

		Business Advisory Services Client Type					
		Ghana					
		Number per year					
		1981	1982	1983	1984	1985	Total
Private enterprise		2	-	-	1	2	5
Community owned enterprise		5	5	4	3	3	20
Community group		2	3	8	5	5	23
Local PVO		3	-	1	-	2	6
Local training or educ.institution		-	-	-	-	-	-
Local social welfare or development institution		-	-	-	-	1	1
Government body		1	-	-	-	-	1
International organization		-	1	-	-	-	1
Local association		3	-	1	2	-	6
International PVO		1	-	-	2	-	3

Table III

Business Advisory Services Client Type  
Kenya  
Number per Year

(Represents no. of new clients per year- Does not include new service to old client)

	1980-1981	1982	1983	1984	1985	Total
Private individual	2	2	1	-	-	5
Private enterprise	-	3	3	2	-	8
Community owned enterprise	7	1	5	1	2	16
Community group	4	4	3	8	8	27
Local PVO	1	3	4	2	1	11
Local Training or educational institution	2	2	3	2	13	12
Local social welfare or development institution	1	1	2	2	3	9
Bank	1	-	-	-	-	1
Government body	4	1	1	2	2	10
International Organization	-	2	1	2	2	7
Local association	1	1	1	2	-	5
International PVO	1	4	3	2	5	15
Savings & Credit institution	5	3	2	1	-	11

The variety and distribution among the types are greater in Kenya than in Ghana. There are two reasons for this difference. First the environments are different. There are, for example, many more international PVOs, organizations, and local PVOs in Kenya than in Ghana. Secondly, the skill distribution on staff is different in the two country programs. In Kenya, for example, we had more accounting and financial skills than in Ghana. This led to our working on a number of Savings and Credit institutions as BASIK clients.

The actual services performed in these cases divide up fairly well among the seven categories for which the BAS concept was originally approved by the Management Committee. Breaking these down a little more finely we can show the services performed in both Ghana and Kenya in the following table:

Table IV

Actual Service Performed

	1981		1982		1983		1984		1985	
	G	K	G	K	G	K	G	K	G	K
Accounting System; install & Train Mngmnt System (Job definition, job costing, admin structure	-	9	-	3	-	7	1	4	-	8
Specific training assignment in Accounting or Mngmnt	1	5	1	3	1	2	-	-	-	-
Internal audit	1	2	-	-	-	-	-	3	-	1
Analysis of operations	-	1	-	1	-	1	-	-	-	1
Analysis of existing accounting	-	3	-	2	-	-	-	-	-	-
Analysis of market	-	1	-	1	-	-	-	-	-	-
Recruitment of personnel	-	1	-	1	-	-	-	-	-	1
Engineering	1	1	-	1	1	2	-	1	-	-
Sourcing, procuring, locating	3	1	-	2	1	3	1	0	-	1
Project feasibility study	7	3	6	3	9	-	2	3	4	2
Project business plan analysis	-	4	-	5	2	3	2	2	-	-
Review fundraising proposal	-	-	1	3	-	5	1	1	-	1
Rewrite fundraising proposal	-	-	-	2	-	1	-	4	-	1
Facilitate fundraising	3	-	-	-	-	3	-	2	-	5
Sector analysis	2	-	-	-	8	2	-	-	-	1
Concept paper	-	2	-	3	1	-	-	-	-	-
Contract negotiation or other legal service	-	2	-	1	-	-	-	1	-	-
Seminars/meetings	5	3	3	1	8	1	2	-	4	1
General advice	-	1	-	1	-	3	1	1	-	2
Pre-project organizing	1	-	-	1	-	4	1	5	-	3
	3	-	2	-	7	-	7	-	12	-

But there are two levels of function and many of the Technoserve Business Advisory Services projects embody those two levels. The first is the nominal function, as reflected in Table IV above, such as help in solving legal questions, or help in registering a group as a cooperative, or help in designing an accounting and bookkeeping system.

The second level is the underlying function which is very often the critical factor that is missing in an organization or group's composition. This underlying function may also indicate something about what is missing in the relationship of groups to the rest of the elements in their society - keys to integration.

## B. SIX DIFFERENT CATEGORIES OF UNDERLYING FUNCTION.

### 1. Information and Knowledge

The first is information and knowledge; that is, generally speaking, providing knowledge that is of a critical nature to a group that is either too new, too small, too unsophisticated or generally too inexperienced to have it on its own.

In practice this can mean reporting on conditions, providing commodity expertise, reviewing policy regarding a particular strategy, conducting feasibility or market strategy studies, etc.

There is an important aspect of this function that we could call "reality therapy". This is especially important to those groups which might think that all they have to do is be legally constituted, acquire an office, a vehicle and a couple of people, and they're in business. Often what these groups have set out to do is, in fact, not feasible. No comparative advantage, say, in its choice of enterprise, exists, and it is of critical importance, when such groups come to Technoserve for assistance, that we first ask the key question: "Is what you plan to do a sensible thing?" In some instances, we have convinced groups that the choice of enterprise or the scope of activity that they wished to engage upon is either not realistic, or will not make money.

### 2. Legitimation

The second underlying function type could be called "legitimation". This is something that is of great importance in the Third World. Grassroots groups, groups of poor people, even groups who might be considered middle class lack credibility in the eyes of authorities. They are not given the benefit of the doubt in the competition for funds or opportunities to do what they wish to do, and very often what is needed is simply some aura of respectability, sophistication or credibility. This is more than public relations. In fact, it has nothing to do with public relations. It is a matter of recognizing that, in many transitional societies, modernizing societies, developing societies, this is a key missing link for those who wish to integrate into the mainstream structure. The fact is, many groups increasingly seem to be seeking ways to borrow legitimacy.

### 3. Acting as a Bonding Agent or Guarantor

Here what is needed is very simply a guarantee that those who wish to take a chance on a small group with an investment of some sort or another are going to be taking less of a chance by dint of the fact that a respectable agency, however defined, stands behind that group.

For example, in Kenya, under the BASIK program, Technoserve has provided that service to the Kenya Laikipia Ranch and Training Center under the Semi-Arid Land Training and Livestock Improvement Centers of Kenya program. Here is a letter from a major international bank's London Head Office, dated July 30, 1984, to their correspondent in Nairobi regarding the Kenya Laikipia Ranch Training Center:

"Further to my note of 18 July, I have made some initial inquiries and I found no objection in principle to the Development Fund considering support for the proposed scheme. There is, of course, no commitment to support at this stage, but I think the committee would be glad to consider a mix of grant and loan support subject to the availability of a Technoserve study indicating viability. Yours sincerely....."

#### 4. Brokering

This is a major category of underlying functional service that Technoserve has found is often critical to small groups trying to gain access to the resources in developing societies. Brokering really is a fancy term for providing connections- from introductions of a match-making sort between group and possible funding source to finding out how a group can locate a particular commodity that it needs to get itself going, anything from a waste product such as spent brewer's mash to parts for a diesel engine, and any guidance through the bureaucratic system, including any hand holding that may be necessary.

Obviously, the brokering can also cross over into legitimation, particularly as what is often needed to grease the wheels of the bureaucracy isn't solely a bribe, as is often thought, but very often knowing who to see and having some legitimacy in the eyes of that individual. An example of a combination of such functions is as follows:

In March of 1983, when two of Technoserve/Kenya's advisors were in Mombasa, the management committee of a small savings and credit society (Harbours Cooperative Savings & Credit Society, Ltd.) sought out the two advisors and asked for assistance with a taxation problem which was quite vexing. Their audited accounts had indicated tax liability of over 200,000 shillings, which they could not understand. Technoserve agreed to look into the matter. Examining the audited accounts, they discovered that, according to the circular on cooperative taxation issued by the Commissioner for Cooperative Development, the principles used in the computation of the tax were wrong. Technoserve, at that point, passed the problem on to the Provincial Cooperative Office of Coast Province, requesting that they act on behalf of the savings and credit society.

In June, Technoserve was informed that the Ministry had taken no action. At that point, Technoserve felt it reasonable to send

two of its staff to Mombasa to resume the assistance. The staff met in June 1983 with the principal assessor of Coast Province and his deputy. During the course of those discussions, it was discovered that the tax office had been basing its assessment on a different Ministry of Cooperative Development's circular than the one in Technoserve's possession and, although much of the content was identical, the critical points of difference were the source of the excess tax liability.

It was agreed, off the record, that the copy in Technoserve's possession was the comprehensive and probably the original one, and again off the record, it was agreed that Technoserve's interpretation of the circular was correct. However, without higher authority, the assessor and his deputy noted that they were not able to change the present calculation base. Still, and this is critical to Technoserve's role as a broker, they did agree to refrain from issuing assessments and demands to the society, and stated that they would refer each succeeding case to higher authority until the matter was resolved. As a follow up, Technoserve instituted proceedings to draw the attention of the Commissioner for Cooperative Development to this problem, so that the two authorities could meet to resolve and clarify the issue.

Here is another example, this time a mixture of intelligence and brokering:

St. Julian's Center, a facility owned by the Church of the Province of Kenya has 14 acres of grazing land which the new Center Director would like to develop as a commercial farming activity to serve as a demonstration unit for small-scale farmers in the area. This is a classic and almost textbook perfect candidate for the Business Advisory Services Program as conceived originally by Technoserve.

Here is a local, non-governmental organization of a private, voluntary nature--a center sponsored by a church--which is to develop a project that would have impact on local, small-scale agriculture. This meets our criterion of potential impact on low-income people. It also meets the client criteria of being a local, private, voluntary organization or of similar type, and has an enterprise component, is rural focused and agriculturally focused. It also, clearly, has an institutional development aspect, to the extent that we can help this center become more able to implement its desired project, that will, in turn, give it the ability to do more of the same later on.

The new Director comes to Technoserve with the idea of starting a dairy farm; however, because he is not a agriculturalist and not a business man, he lacks both the technical and the business information needed to get such a project going. Following the request, one of Technoserve's staff members visited the Center.

The first intervention consisted of a long advice session in which strategy was decided upon. The Technoserve advisor, a specialist in dairy, suggested that a low-capital investment

grazing operation with about 7 cattle would be appropriate. The Technoserve livestock specialist, with years of experience in grazing in Kenya, knew that a zero-grazing operation would not be a good idea, because of its dubious commercial viability without free family labor and higher technical requirements. They also discussed potential activity such as vegetables and poultry, and it was agreed that Technoserve would assist by first finding appropriate building designs and costing infrastructure such as fencing, piping and other equipment. It was also agreed that Technoserve would look for the appropriate technical information on dairying, and convey all that to the Director.

Here we provided intelligence (and some reality therapy) as well as brokering the connections between needs and sources.

#### 5. Continuity or Follow Up

A fifth category of underlying function is what we might call "continuity" or follow up. This is the least used area, but one of importance nonetheless. We define it as providing to a group the ability to assess its own progress. This comes under the brokering heading in the largest sense, but is really a kind of making connections within an organizations. If one could put it this way, it is a matter of helping a group connect up with itself and its own stated goals in a more explicit way.

#### 6. Control

The sixth and most important area--the one that probably accounts for most of the activity under the Business Advisory Services in Kenya Program--is control.

Probably the most widely acknowledged general fact of life in developing countries is the lack of people's ability to control their own lives. This is a matter that is critical not only to the small community group, but also to the local PVOs and, indeed, some of the local branches of the national or first world PVOs. There are obviously political realities involved in the issue of control; there are some aspects of the problem that people and organizations can do little about. But there is a surprising degree of control that can be exerted and learned of the "nuts and bolts" sort.

Technoserve in Ghana gave assistance to a major American PVO which found itself ill-equipped to manage its vehicle maintenance program. Technoserve helped it to rethink and redesign a program of vehicle maintenance that would work for it so that its vehicles could stay on the road, thus enabling it to accomplish its work. This is an instance of helping a group gain greater control over its resources.

By far, the largest number of BASIK projects we have done were in providing bookkeeping and accounting systems. Controlling the

money is, in many cases, controlling the ultimate outcome of the project. Probably the most garden variety missing link in small community efforts at self-help, at enterprise, at income generation, at any kind of grassroots development effort level, is the lack of an accounting system or overall administrative management structure.

In the accounting systems work we conducted under BASIK in Kenya we provided and installed small enterprise accounting systems for community-based groups which had no professionally trained personnel at all.

One could say that we function as a specialized accounting firm, with the difference that we don't want to establish a retainer-type permanent arrangement with our client, but rather are committed to leaving the client with a functioning system. We charge little or no fee, and we know the market and the environment of the small Third World community group. For that market, we provide a kit. (See Appendix A. for examples of the elements provided in the accounting area).

Table V, below, breaks down the BAS projects in Ghana and Kenya from 1981 through part of 1985 along these underlying function lines:

Table V

Service Type - Underlying Function  
Numbers of projects

	81-83 Ghana	81 K	82 E	83 N	84 Y	85 A
<u>Information &amp; Knowledge</u>	7	10	15	12	11	8
a) Reporting on conditions	1	2	2	-	-	-
b) Providing expertise	5	3	8	9	8	7
c) Reality therapy	1	1	4	1	2	1
d) Policy review	-	4	1	2	1	-
<u>Legitimation</u>	3	2	3	6	3	2
a) Lending credibility/image	3	-	-	4	1	2
b) Polishing image	-	-	-	-	1	-
c) Lending sophistication	-	2	3	2	1	-
<u>Bonding Agent (Guarantor)</u>	10	3	2	5	-	2
<u>Brokering</u>	42	9	6	7	5	5
a) Introductions/matchmaking	9	1	2	2	-	1
b) Handholding	8	1	-	-	-	-
c) Connecting needs & sources	8	6	3	4	5	2
d) Bureaucracy guide	17	1	1	1	-	2
<u>Continuity (Follow-up)</u>	-	1	-	-	1	-
<u>Control (accounting/management systems)</u>	1	13	9	5	6	8

## Chapter VI

### The Evolution of the BAS Program- With Time Some Contradictions Become Problems and new Pitfalls Emerge

#### A. KAPNYAMISA (KENYA): A CASE OF CONTRADICTION BETWEEN TWO STANCES - THAT OF CONSULTANT AND HANDS-ON ADVISOR.

Technoserve in Kenya had been working with a local PVO called the Appropriate Technology Advisory Committee (ATAC) under BASIK for some time. ATAC had steered many of its clients to Technoserve especially for short term help in setting up accounting and bookkeeping systems for small community groups, most of which were women's income generation projects.

A group of women near Eldoret, the Kapnyamisa Women's Group, had contacted ATAC whose director brought them into contact with a new British PVO called Africa Now. Discussions began between the Kapnyamisa Women's Group and Africa Now regarding a soft loan to help the group start a posho grinding mill. ATAC, knowing of Technoserve's work suggested to Africa Now that we do a feasibility study of the posho mill to see whether indeed it could become viable.

Technoserve, in early 1984, under BASIK, visited the area and conducted the feasibility study. On the basis of this study Africa Now gave the loan to buy the equipment.

This work started off in classic BAS style, with Technoserve playing the role of provider of knowledge, broker, and guarantor. In effect we had two clients at once, the women's group and Africa Now. We were acting as the agent of a small, newly formed, European PVO (Africa Now) which needed to find a viable candidate as a first project. It wanted to be sure it would not grant money to something that wouldn't work. It felt vulnerable, and basically unfamiliar with the territory. Technoserve also inadvertently took on the role of protecting Africa Now's investment. Quite naturally, in the course of providing our expertise and knowledge to Africa Now we had come into contact with the group several times and got to know the situation rather well.

It soon became obvious both to us and to the group that there was considerably more for us to do than merely take a look at its plans and give advice. Inevitably our involvement grew. And since we are looking for potential new agriculturally-related enterprises with a significant community base, we kept our hand in.

With the money for the posho mill machinery now available, the matter of its procurement and installation loomed next. We made some recommendations about how the equipment should be installed.

By early 1985 the machinery had arrived and installation had taken place. Inevitably, as soon as a project moved from planning to implementation, whole new sets of problems emerged. The group itself now needed help. That need had become urgent, since now there were day to day problems having to do with actual operations. Technoserve could no longer, in good conscience, stand around giving advice with its hands in its pockets. There was no other source of help for the group and an implied commitment had been made to Africa Now. Still under the BASIK rubric, Technoserve began to take on a hands-on role in the every day details of this project.

Technoserve Kenya project advisor Alex Kirui and another colleague visited the project in early March, 1985. The mill had been poorly installed and was not working. The Kapnyamisa group had found someone to re-do the installation. Technoserve staff met with the 6 committee members and Chairlady to learn of two major problems. First the delay in purchasing the mill due to the time it took for the women to raise the shares that they had agreed to - that is, their own private contributions, and secondly the installation of the machine by someone who botched the job.

Alex Kirui's trip memo reads:

"We informed the women that: a) Technoserve would be representing Africa Now for this project and therefore will be corresponding between the women's group and Africa Now. b) That as Africa Now representative Technoserve would like to see proper operation and maintenance of the mill in order to meet the objectives of serving members and at the same time generating income. The following things must be undertaken:

- i) mounting and commissioning be properly done.
- ii) speeds and pulley sizes be adjusted to suit the requirement.
- iii) oil bath on air cleaner, engine oil and filter be changed.
- iv) service procedure/schedules be followed and operator instructed by Mr. Singh to do what is routine.
- v) That the women's group send a request to Technoserve for accounting systems implementation and purchase of necessary stationery.
- vi) The group employs a bookkeeper and that Technoserve be requested to train the bookkeeper and do the budget.
- vii) The group should have a starting capital of shs. 6000/- towards payment of fuel, salaries, parts like oil filter, grease gun etc."

Technoserve began an involvement with the group that was obviously leading to something much more than originally intended under BASIK. We began talking of graduating the Kapnyamisa group into full project status as a Community Based Enterprise. The criteria looked appropriate. We had been involved in getting the

enterprise going. We did the feasibility study and had indicated that the concept could work. The group was of significant size (45 shareholding members) and there is real equity in the enterprise spread among the owners.

We were on the cusp of the dilemma of having to get much more deeply involved since the very things we had discovered as lacking are things which the group cannot do for itself or buy for itself or get from any other source. In order to be sure of the success of advice that was, in the first instance, our own, we needed to become active participants in the enterprise and take the next steps.

Excerpts from memos tell the story for the next few months, until June 1985, when the Kapnyamisa Women's Group signed a Letter of Understanding with Technoserve which officially made this a full fledged, though small, Community Based Enterprise under Technoserve's main project system. This removed it from the BASIK roster.

Alex Kirui and Technoserve accountant Rachel Mwandia visited the project on April 25, 1985. Alex' trip memo includes the following:

"Rachel and I visited Kapnyamisa Women's Group on Monday, April 22nd. Rachel started training of the bookkeeper on Tuesday. The training started with sorting out the group's income and contributions, both by members and other donors, and their expenses at October 31st, 1984, it being agreed that October 31st would constitute the end of the financial year for the group."

"I was informed that since the posho mill started operation on April 1st, 1985, the Executive Committee has not met. I asked them to hold a meeting as soon as possible to discuss the following points: 1) Formalize milling charges and mode of payment. 2) Set working hours of the mill each day. 3) Pass a resolution that all money received from milling be banked and withdrawn from bank and maintain imprest cash in the office. 4) That the Treasurer make regular checks on financial transactions and be reporting to the Executive Committee regularly."

"I asked them to send Technoserve a copy of the minutes of the meeting."

"I asked them to set up a sub-committee to prepare a schedule on shareholding, and to open up a proper shares register."

"The group had 5,749 shillings at the end of March before paying Mr. Singh 1,800 shillings for re-commissioning the posho mill and purchase of a pulley.... Since the group had known that they did not have enough money required for a

start of the business, they had requested their local MP (Member of Parliament) to raise money for them. The MP agreed, and the official opening ceremony of the mill will be held on Saturday, April 27th, 1985. This ceremony will be presided over by the MP, and will hold a "harambee" (fundraising). I recommended to the women that part of the money raised should be placed in the standard bank deposit account towards maintenance of the mill."

"The group had employed a bookkeeper with a Form IV standard of education who had previously been unemployed. She was employed on a salary of 200 shillings per month. She has no previous experience in accounts. Rachel implemented the accounting system and trained the new bookkeeper.

"When the meeting was about to close, the women requested that Technoserve give them a lecture in business management as this was a new area for them. They found from our discussion on the above points that they had neglected their mill as an income generating activity. They apologized for having not taken a keen interest in the management of the mill. They assured me that after our meeting there was a renewed interest, and that they will take more time to participate in the management of the mill."

A week later, Rachel Mwandia filed her trip report about the week that she spent at the Kapnyamisa Women's Group:

"The women were not prepared for our visit, and quite a lot of our time was spent idle. The group, at the moment, is disorganized, and the Committee members lack seriousness. This meant that I could not get my work done as I would have liked. The Committee members are also involved in personal business and other activities, so they do not seem to have much time for the group's activity. A bookkeeper has been hired by the group at a salary of 200 shillings a month. She seemed to me to be very slow at learning, and she's also very forgetful. I would explain things to her and, in a few minutes, she'd have forgotten them. This may mean I may have to go back there soon to see how she's getting on. I showed her how to keep the bank cash books, the imprest cash book and the cash sales day book. After discussion with the Chairlady, we decided on an imprest fund of 1,000 shillings. I showed them how to operate the imprest cash system and how to fill in the petty cash vouchers. I also showed them how to fill in the payroll and payroll summaries. I did not go on to the income and expenditure accounts and balance sheets because I felt the bookkeeper was not ready for that. I could see that, even doing the books up to the trial balance stage was difficult for her. This was as far as we got, and I think I may have to go back very soon to check on the group."

In June, even though things with the group did not look very promising, Technoserve and the Kapnyamisa Women's Group signed a

Letter of Understanding which provided for Technoserve to provide the following services: An advisor would be assigned to the group from the 1st of July, 1985, until the 1st of August, 1986. Technoserve would provide a maximum of eight days of assistance per month in the areas of budgeting, business planning, training of bookkeeping staff, monitoring performance, inspecting milling records and the state of machinery, marketing and maintenance of other assets, analysis of financial viability of projects or activities that the group may request. One of the stipulations in the letter is that, if Technoserve's recommendations consistently meet with no action, Technoserve would have the right to suspend the monthly visits. For its part, the Kapnyamisa Women's Group agreed to provide to Technoserve complete financial statements and other reports each month, permits Technoserve to perform an internal audit of the group, if warranted, and allowed Technoserve's personnel access to the mill and staff to accomplish the tasks specified.

At the same time as all this was taking place, Africa Now in London had been requested to take a look at two more possible posho mill enterprise projects in Kenya and, turned to Technoserve to look into these to conduct pre-investment feasibility studies.

From Technoserve's point of view, in mid-1985, the possibilities of working with women's groups who were operating posho mills seemed very attractive for several reasons: First, women's groups which had considerable difficulties in the past and which Technoserve had found considerable difficulty in working with (along the lines that Rachel mentions in her memo above) appeared, nonetheless, to be stronger than they had been. Posho mills make sense because, in general, they see a quick return on investment. Third, Technoserve was actively looking for more potential community-based enterprises that were agriculturally related. The milling of posho seemed to fit that need. Finally, this is a commodity area which Technoserve knew and could serve well.

One has to stop here and ask whether, through the limited consulting role provided through BASIK, we didn't fall into one of the contradictions brought up earlier in this study.

Did we cross the line between handholding and dependence? At one point in the BASIK part of our work with Kapnyamisa, we were really doing the essential task of providing much needed support, to get the group going. This kind of psychological hand-holding can be essential. But obviously by the time we decided to do more hands-on work in accounting and in training of the accountants, we had already created some dependence.

This came about in part because we may not have taken a hard look at the degree of motivation that the group had, to learn what we felt it needed to learn. The process of having them "buy in" to that learning was thwarted in part by the short term nature of our original assistance, and in part by the fact that our

original client was not the group itself, but Africa Now.

As for Kapnyamisa, here is a group, formed in 1979, basically for the purpose of raising money, with no business experience, looking year after year for a way to get funding to start something. The something is, as it turns out, not something they felt the need to start. They looked around and saw others starting posho mills and said, ok, let's do that too. The loan was forthcoming but the women were in fact not pleased with the conditions that seem to come with it. The "harambee" fundraising event they wished to hold was for the purpose of raising money to pay off the loan so that they need not listen to all these outsiders, including us, who were demanding some sort of business rigor from them- something, as the memo from Rachel indicates, they weren't prepared to give.

Secondly, as the reports indicate, the project needed for a lot of prodding to get it going in spite of the fact that it seemed to have real potential for financial viability (as the feasibility study showed). Here we come to the key problem of control and the crux of the issue of when it is necessary to take ones hands out of the pockets and jump into a very full involvement in an enterprise. At the time we did the feasibility study, we were doing it for someone else- Africa Now / Kapnyamisa Group. We did not at that time think we would be living with the results of our study. Now a year later, we are getting involved in the project directly. From this stance things look different. It is possible that we are now taking into account and seeing aspects of the group that show a less sanguine picture than the one we had seen originally.

Perhaps a solution to this type of problem is to design a series of Business Advisory Services which would involve a graduated series of services, each with a different magnitude of involvement.

#### B. THE NUMBERS GAME - A FALLACY IN THE ASSEMBLY LINE CONCEPT - THE CASE OF BASIK'S REPLICATION OF ACCOUNTING SYSTEMS WORK.

By 1984 the number of accounting system installations performed by BASIK was growing and the length of time spent with each was decreasing. Concomitantly, the importance of the interventions was diminishing. BASIK really was becoming a kind of assembly line project, without much judgement being exerted as to the worth of each response.

Some inefficiencies were becoming apparent.

Rachel Mwandia and Harrison Munyoki, both accountants working for Technoserve, were by late 1984 spending the bulk of their time assigned to BASIK. Because the daily work of BAS in Kenya was more and more becoming the installation of accounting system "kits", Rachel and Harrison had become in effect itinerant

accountant/troubleshooters. They were spending increasing amounts of time travelling. Furthermore, these accounting system installations were not taking hold as well as hoped. This meant we had many requests for repeat assistance to the same set of clients. This pushed up the numbers of "clients assisted" each year, even though the assistance was often a repeat of the same thing done before. Table VI, below, shows the record of client repeats from 1981 through the first half of 1985.

Table VI

Number of Business Advisory Services Clients Receiving Services Repeatedly.

Kenya - 1981-1985

Twice	36
Three to five times	14
More than five times	10

They made the following comments about their work:

"The way we work is that we end up having a roster of regular clients. Like Kamuthanga Homecrafts, for example. This is a community group that has several operations including bakery and tailoring shop. We've been out to see them 3 to 4 times in the last year and a half.

" For the accounting systems, we sit with them and watch them do the work. We watch and ask questions. Then we correct what they are doing and ask them to do it again in front of us.

" Lots of the bookkeepers we work with have had only primary school. Sometimes, their schooling was a long time ago. There are language problems too.

"Take the Bomani Women's Bakery. Between the two of us we have visited them at least ten times. We fly down there (to Mombasa). It costs money to send us and we have to stay overnight as it doesn't make sense to come back the same day.

" The key variable for whether our work takes hold is the level of commitment on the part of the group. They have to agree to follow the structure of the accounting system or we really cannot help them. A Letter of Understanding helps but the group has to be serious.

"Often we go back to a group for a follow up visit to see if they are using the system properly and we cannot even find the people. We have to chase them down. They are supposed to send us monthly accounts. We rarely get them.

" Really, some of them need help constantly. Some of the groups got together because they wanted to do something. They apply to the Ministry of Social Affairs for registration and a small grant and then are left on their own. When we come in we try to install a system that will help them get control. But it has to be down-to-earth. Many of these women are plain scared of the formality of the accounting system. The forms themselves scare them off. And here we are telling them they need to purchase account books and sometimes the cost of the account books is more than the income of the project.

" Once we get there, we always get involved in other "informal" things which take up more time and the more we get involved, the more they ask of us.

"There's also a lot of "social work" involved. It's very hard to teach these people. We get called upon to put in these systems and then we have to push it at them constantly."

Rachel and Harrison are pointing to a program caught in a rut. The BASIK program had taken on a life of its own: A group would request an accounting system. Since the input required was initially minimal and fit the letter of the BASIK guidelines (under 5 days of assistance per month) there was no inclination to stop and ask whether the input was useful in the long term or cost effective.

Technoserve was beginning to lose sight of the ball of BAS in Kenya, letting it roll ahead of its own accord. Change was needed.

Peter Macharia took over BASIK in July, 1985. Aware of its problems he talked of the changes necessary:

"I think that in the main we have learned that these accounting systems for community groups are not the right thing for us to be doing in this way. We have to change. We have to concentrate more on a whole management package, however small and use the same standards we apply to larger projects. We hope to have fewer BASIK clients, but which have bigger impact rather than so many of these smaller things.

" There has to be some balance. It doesn't make sense to spend 20,000 shillings helping an organization with a 5000 shilling capital base.

### C. THE LIMITS OF OUR CONTROL .

#### Lodwar Village Polytechnic.

Lodwar is the district headquarters of Turkana District in the arid North of Kenya. This District has been the recipient of large amounts of famine relief aid, provided mostly by Scandinavian relief agencies to the nomadic Turkana people. These people, traditionally supported by livestock, had their livelihood wiped out by a ten year long period of drought. One of the efforts made to assist in the transition to different sources of livelihood was begun by UNDP/FAO and the Kenya government. The effort was to start a minor irrigation cluster scheme in the Katilu region. Funding for this was eventually taken on by NORAD, the Scandinavian agency.

To help young Turkana people acquire the skills necessary to find employment in their own areas, Lodwar Village Polytechnic was started. Its curriculum consists of the teaching of metalwork, welding, carpentry, and vehicle repair. About 150 students attend the school and some who have finished have started successful businesses. The success of the school prompted the government to upgrade it to full Polytechnic status and funds were provided to construct workshops and more classrooms, etc. With the increased complexity of the school's operation NORAD approached Technoserve to assist in improving the financial and management control of the institution and train Polytechnic staff to operate the new systems.

A complete system was designed including a schedule of accounts, document flow chart, cash flow variance report, cash flow forecast, vehicle log book, internal transfer voucher, invoice, cheque payment voucher, personnel time sheet, job card, payroll, pay slips, vehicle monthly report, sub-contract monitoring report, payroll summary, budget, stock control card, stock summary, balance sheet, trial balance, and income and expenditure account. Artwork suitable for offset printing of these forms was also provided.

Under BASIK this project was quite complex and time consuming.

We had done, and were prepared to do a professional job at Lodwar which meant at least two to three months time to fully train the relevant people to operate the systems. However, for political reasons, the school insisted on reducing the time we spent there - basically because they did not like NORAD having in effect forced us on them. The result was that in spite of all the preparations we made and the design work, and the intensive effort we did put in on the job, the trainees were not fully trained.

On a visit to the site in June, 1985, Technoserve accountant Henry Otieno reported that: " The accountant had tried very much to maintain control and keep books of accounts under the principle of the new system which was installed by Technoserve.

However he contemplates that the time he spent with Rachel during the implementation was not enough to enable him to grasp all the techniques."

Here again, a lesson we had learned and applied in our main line of work - that people must buy in to the program if it is to "take" - was not fully applied under BASIK. Due to internal disagreement among the 2nd and 3rd parties involved here, our work was not permitted to be done the way we knew it needed to.

#### D. QUALITY WORK AND APPROPRIATENESS OF CLIENTELE GET CONFUSED AT TIMES.

##### National Museums of Kenya

Here was a case where Technoserve did extremely high quality work - really going the extra mile - but did not give sufficient thought to the value of the work in fostering our overall corporate mission. In part this was because we thought, at the beginning, that the assignment was very simple and short - a common trap in the BAS.

The request for some help in looking for weaknesses in the financial and control systems of the National Museums of Kenya ended up being a very technical analysis of a major national institution. Naturally once staffers began looking at the system they realized that there was more involved than had originally been thought. Given the prominence of the museum in Kenyan life, it might have been harmful to Technoserve to back out. Of course, the complexity of the work, the technical aspects, though challenging, were not at all beyond Technoserve's capacity. The problem was spending the time.

In the end, BASIK produced a detailed 25 page report which took 3 weeks to compile, after two staffers had spend a total of 2.5 person weeks interviewing various aspects of the museum's operations and understanding its problems. This included visits to the Institute of Primate Research and to museum operations on the coast in Mombasa and Lamu, as well as of course time spent with museum administrators in the central museum in Nairobi.

What was happening in Kenya, simply, was not the failure of the BASIK concept, but the fact that the project was simply not being tightly managed. This is traceable in part to the original mandate, which made it clear to the staff that BAS was not, and was not supposed to be, more than a side line, in effect- a secondary thing. Quite naturally, this led to it receiving less attention than it should have. But ironically, it was beginning to creep up and consume more and more staff time, and become a larger and larger part of the overall portfolio, in terms of time spent. In Kenya, a couple of staff were assigned primarily to BASIK. Here for example is the time spent by one of them in 1984.

Table VII

Sample of one BAS staffer time allocation  
Based on time sheet for HM  
11 months of 1984  
Kenya

Project	Days	% of total
Kamuthanga	44	32
Bomani	25	18
Kibera	18	13
ATAC*	33	23.7
Lutheran Church	3	2
KWAHO	1	.7
Birunda	3	2
Marugi	2	1.4
Lumani	2	1.4
unnamed	8	5.7
TOTAL	139	100.0

\* ATAC may represent several small assignments

In Table VIII, below, we show the overall summary of staff time for 5 years under BASIK.

Table VIII

Business Advisory Services Staff Time  
Kenya

	1981	1982	1983	1984	1985	Total
BAS as % of Program	2	10	9.5	13.4	33.3	12.9
% of staff assigned	31.3	67	56	59	76	75
% of primary staffer's time spent on BAS	10.9	47	31	71	73.4	
% of CPD's * time spent	2.4	10.2	8.8	11.6	10.6	8.3
average % of time spent on BAS by all staff assigned to BAS	4.3	10.8	15.3	20.2	33.6	16.8

\* CPD = Country Program Director.

The pattern is obviously one of a growing percentage of time spent on BAS as part of the overall country program. Still, as Table IX, below, shows, the original restrictions on BAS in terms of numbers of days allotted to clients, were continuously respected. 67% of projects under BASIK received 5 days or less assistance per year. In short, what Table VIII reflects is simply that the overall number of BAS projects continued to increase well beyond original expectations.

Table IX

Distribution of Assistance Days per Year  
Kenya

Assistance Days	Number of Projects receiving this many days 1980-1983 Period	(%)
Less than 1 day	10	12 %
1	15	17.6%
2	15	17.6%
3	5	5.9%
4	8	9.4%
5	4	4.7%
6	3	3.5%
7-10	6	7 %
More than 10 days	3	3.5%
NA	16	19 %
Total	85	100 %

(N.b. Average is 3.25 days per project per year; Median is 2.4 days)

The phenomenon is common to both BAS programs in Ghana and Kenya. Table X, below, sums up the growth of the BAS program in terms of its percent of total time spent in both country programs.

Table X

Business Advisory Services as Percent of Total Program  
1981-1985  
(based on employee time sheet records)

	1981	1982	1983	1984	1985
Ghana	26.3	5.3	12.7	37.4	48*
Kenya	2	10	9.5	13.4	33.3**

\* - first 6 months

\*\* - first 9 months

We have suggested several built-in reasons why these BAS activities began to grow, and have raised the issue of BAS's internal position in Technoserve's "corporate culture" - a secondary line of work which therefore was less carefully watched.

But there are other reasons for the growth which have more to do with day-to-day circumstances. We were, in Kenya as in Ghana,

finding an infertile environment for solid Enterprise Projects. Increasingly we began looking to the BAS activities as an identification mechanism for potential new main line projects. Thus the rise in RAS is a function of the decrease in regular projects and the greater effort to search out new ones. Table XI, a summary of the justifications for responding to BASIK requests in the 3 year period (81 -83) supports this.

Table XI

Justification for taking on BASIK (Kenya) clients

	1981	1982	1983
Good will (undefined future enhancement of program)	8	6	6
Potential for exposure to policy making levels	8	4	1
Entree to new sector, area, constituency	3	5	8
Potential for becoming a major project	8	6	8
General public relations	-	2	2
Potential for long term multiplier effect benefitting low income people	9	3	2
Charity	3	1	-

In those same years, an analysis of the projects done under BASIK suggests that most of them were in fact appropriate ones under the original mandate. Of those that we did not put in that category, 15% or so were of very minimal intervention, 12% were instances where we merely provided some basic information. Table XII shows the scope of interventions.

Table XII

Scope of BASIK interventions (Kenya)  
Numbers of Projects

	1980-83	1984-85
Information level only	10	8
Minimal intervention	13	24
Appropriate intervention in keeping with Program mandate.	50	17
Greater level of involvement than originally envisioned or otherwise inconsistent with mandate.	12	3

It is also useful to understand how many of the clients came to the BASIK program. We see that in the 1980 to 83 period the bulk of the clientele (of those we have information on regarding how they came to BASIK) were referrals (44 clients/projects). Of those, about a third were referred by staff members, Norwalk

home office, or a private contact. The rest, a little over two-thirds, were referred by other PVOs, USAID, the Government of Kenya (GOK) or another client. In some of these cases, responding to the request may well have been expedient for reasons of good will, or general public relations. Table XIII shows this pattern.

Table XIII

How BASIK (Kenya) clients came to Technoserve  
1980-1983

No reliable information	34
Came to Technoserve on their own	6
Referral by staff or private contact	11
Referral by other PVO	13
Referral by other client	9
Referral by U.S.A.I.D.	2
Referral by GOK office	6
Referral by Technoserve/Norwalk	3
Responded to Technoserve questionnaire	1

E. THE CASE OF GHANA - BASIG TAKES ON THE FRUSTRATING ROLE OF DEVELOPING NEW PROJECTS.

In Ghana, the broad pattern of growth of the BASIG program through mid 1985 was roughly similar to that of BASIK in Kenya - that is BASIG too began to become a larger and larger part of the overall country program in terms of staff time, and yet, as with Kenya it kept generally within the mandate in terms of number of assistance days given to most projects. Table XIV shows BASIG as a percentage of overall program in Ghana, and Table XV shows the distribution of assistance days per year.

Table XIV

	Business Advisory Services Staff Time Ghana					
	1981	1982	1983	1984	1985	Total
BAS as % of Program	26.3	5.3	12.7	37.4	47.8	25.5
% of staff assigned	71	43	29	75	50	86
% of primary staffer's time spent on BAS	68	10.7	98	100	100	
% of CPD's time spent	12.5	8	28.2	29	31.4	20.5
average % of time spent on BAS by all staff assigned to BAS	41	8	63.1	51	82.5	50

Table XV

Distribution of Assistance Days per Year  
Ghana

Assistance Days	Number of Projects receiving this many days					Total
	1981	1982	1983	1984	1985	
1	4	4	5	1	1	15
2-5	5	6	2	6	8	27
6-10	3	-	2	1	3	9
11-20	1	1	6	2	2	12
21-30	2	-	-	2	1	5
31-40	1	-	-	-	-	1
41-50	-	-	-	1	2	3
51-60	1	-	-	-	-	1

What is different about BAS in Ghana is that growth has not been steady (1982 and 83) were relatively low years for BASIG. When it jumped up in 84 and 85, it also became a larger user of more of the staff, including in this case, close to a third of the CPD's time (Country Program Director). Yet the number of projects under BASIG receiving a low number of assistance days remained large - it's just that a few projects in 84 and 85 began eating a rather large number of assistance days. These were efforts to search out and create new Community Based Enterprise projects - always the main line of our work. It was largely these which took up the time of the Director.

[N.b., the average project length for BASIG however, did not increase over the five year period. Table XVI shows this.]

Table XVI

Average BASIG Project Length  
In Days for a Given Year  
Ghana

	1981	1982	1983	1984	1985
Days	11.6	3.8	6.4	9.2	8.3

What was happening here was that our Ghana program was trying hard to stay afloat in a time when the country was also desperately trying to work itself out of its lowest ebb ever. In the course of that effort, BASIG had to shift more to exploring new project opportunities and some of the work done under that rubric was extensive, in the hope that it would provide openings towards new community enterprises and new projects.

## Chapter VII

### Conclusions

#### A. COSTS

Has the Business Advisory Service been expensive to operate? Table XVII gives us a starting point for the discussion.

Table XVII

Business Advisory Services Job Costs  
Ranking among projects in the respective countries

January 1982 through June, 1985 (42 months)  
in \$ U.S. per month

	Least expensive project	Most expensive project	BAS project	BAS rank (1st = most expensive)
Ghana	\$2053	\$2939	\$2053	6th of 6
Kenya	\$3545	\$6131	\$4374	5th of 11

n.b. travel costs in Kenya at least double those of Ghana

The answer would seem to be that it has not been, relative to the rest of the portfolio in the two countries.

But it is more important to assess cost in terms of the type of services offered and compare our costs with those of a profit-making company offering similar services (in name) to those the BAS has offered.

The fee rate structure of an actual firm (of international reputation) operating in Kenya assumes billable days of only 140 per year. Our BAS assumes 230 days. The for-profit firm also assumes an overhead figure of 30% of gross payroll cost, and computes a profit contribution of 20% of total daily rate. The total daily rate for services similar to those Technoserve has offered in Kenya under BASIK works out to about \$450.00 per day (in U.S. dollars) at the exchange rate used at the time the above rate structure was current.

Technoserve's BAS work, when it was billed at all used a fee rate of about \$150 per day. But of course, most of the time, we were not paid by the client at all.

The key point here is not absolute cost however, but the fact that traditional providers of such services would not take on these clients in the first place, whether they could pay the freight or not. Such providers are simply not geared to working at the level that much of BAS has concentrated on.

## B. LESSONS LEARNED.

The major lessons learned have been the following:

1. The grassroots African environment has changed in the last decade. In many countries, development itself has become an industry; a major source of employment, income, and motivation for many otherwise marginal groups or individuals. In one sense, much of the business that exists for PVO's who wish to reach small community groups has been partially created by them and for them. This sector has tremendous potential for development in Africa. However, in most cases, local groups are not ready for the next steps that need to be taken. What is needed is a disciplined approach to solving problems which come from the techniques of management and financial organization.
2. If a community project has not in some way become something the community itself (or a key part of it) is willing to put substantial energy into it is unlikely that outside technical assistance will take hold in any sustained way. Offering management assistance of short duration to small groups can become a vicious cycle very, very easily. The line between dependence and independence becomes quickly unclear, and a PVO with an inclination to help can get caught up in a cycle of helping to start things going, then rescuing, then restarting to the point where dependency has been created. A solution to this problem would appear to be the exercise of what may appear to be harsh judgements about whether a group can absorb certain skills. In short, one has to sometimes say "no" to requests for assistance, if certain criteria appear to be absent.
3. At the same time, very short or minimal interventions can be remarkably useful for some groups and can make a real difference. Yet here again, if there is no internal strength in the group to take advantage of the intervention and get on with the tasks at hand, the impacts of such "breakthrough" types of assistance will end up being rather random.
4. Integration at the small project (BAS type) level must be as great as that at the full project Community Based Enterprise level. Likewise, the care in selection of the short term intervention target must be as great as that of the main line long term assistance projects. The rigor, the professionalism, the caution, all need to be equally applied to the smaller intervention. Just because something is a small intervention and might only be a matter of five days, it does not follow that one can throw away those five days.
5. The BAS program described here confirms our view that there is a sensible and logical sequence to enterprise and organizational development. The lesson can be summed up as "First Things First". New, immature, small community groups, enterprises or

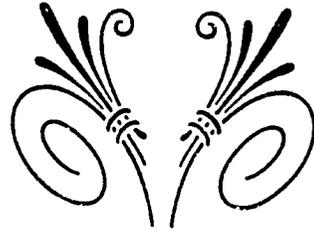
other "associative structures" cannot make a go of it if they skip the important first definitional stages of their growth. They must start with an attempt to clarify why they exist; for what purposes and then make an assessment of how to reach those goals. They cannot then move forward without first setting up some "nuts and bolts" mechanisms and systems for carrying their mission forward.

6. The BAS program also reminds us that giving advice and assisting in the implementation of those recommendations are two different things and may in many cases be hard to reconcile. Generally, technical assistance is most useful when those offering it can stay around long enough to see what happens next.

7. To the extent that BAS tried to train people in accounting and other management areas, we discovered that these skills require on-the-job training approach. Furthermore, the more unsophisticated the trainee, the more an on-the-job approach makes sense. Finally, that approach must be applied fairly intensively.

8. The notion of a service center for business advice, contrary to the pessimistic outlook expressed by a recent World Bank report about such centers, can work. If such centers are staffed by a well-run organization which uses well-motivated, trained, permanent, national employees and the program is carefully managed, such a concept can work cost-effectively.

APPENDIX A



Church of the Province of  
Kenya



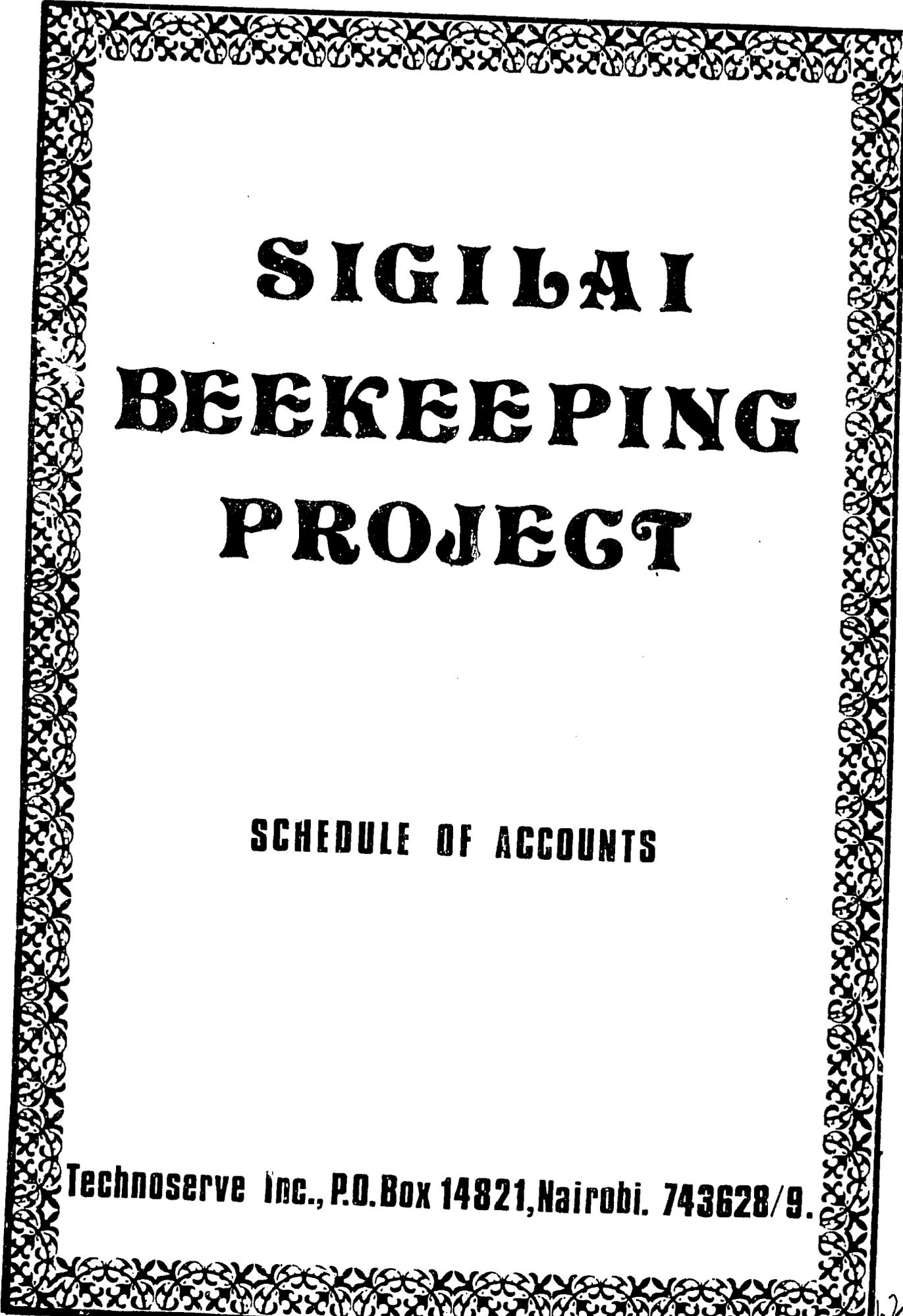
Schedule of Accounts



Diocese of Eldoret



Technoserve Inc  
P.O. Box 14821,  
Nairobi, Kenya.  
Tel. 743628/9.



**SIGILAI  
BEEKEEPING  
PROJECT**

**SCHEDULE OF ACCOUNTS**

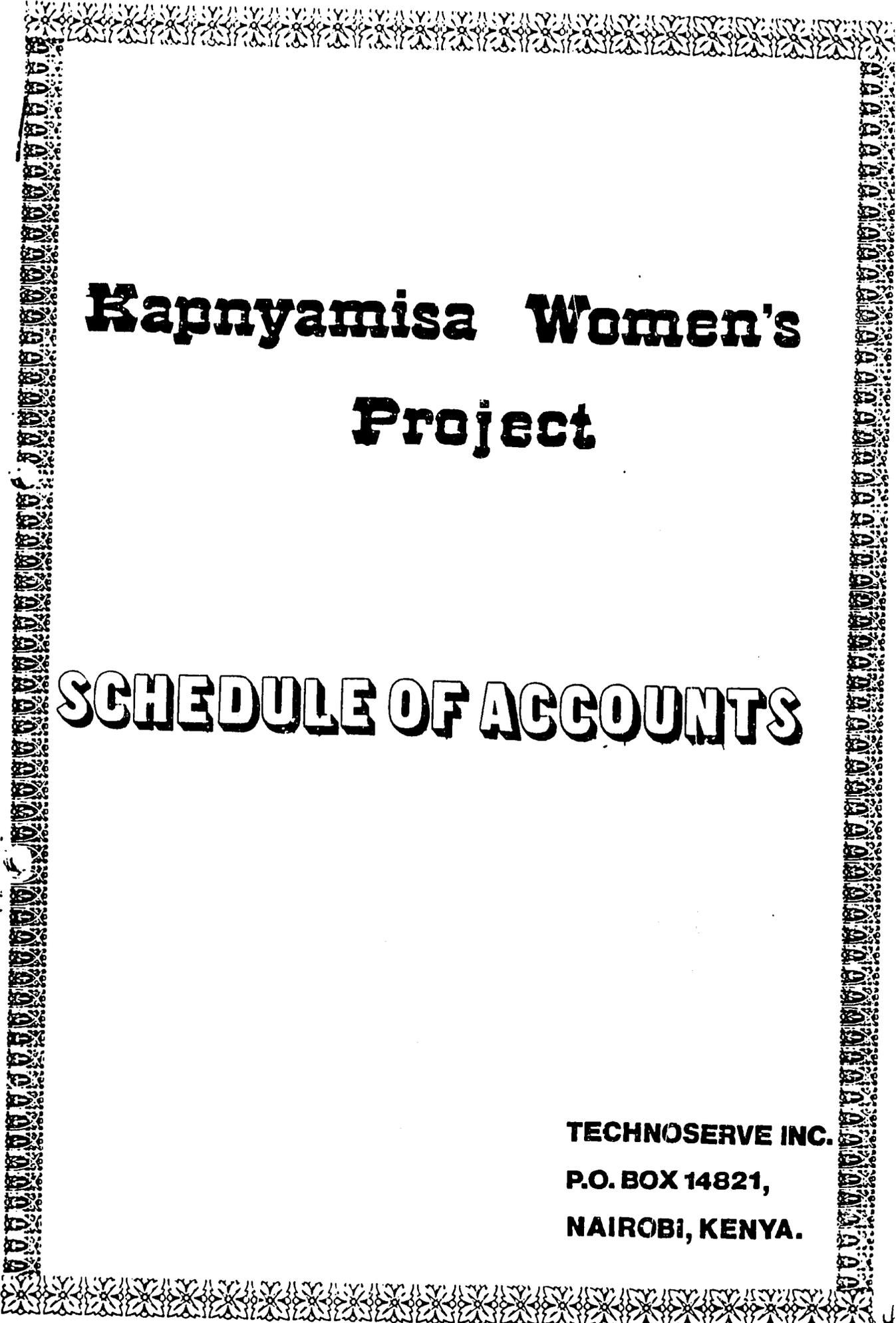
**Technoserve Inc., P.O. Box 14821, Nairobi. 743628/9.**

**KIBERA  
JIRO  
PROJECT**

**Schedule of Accounts**

**TECHNOSERVE INC.,  
P.O. BOX 14821,  
NAIROBI, KENYA.**

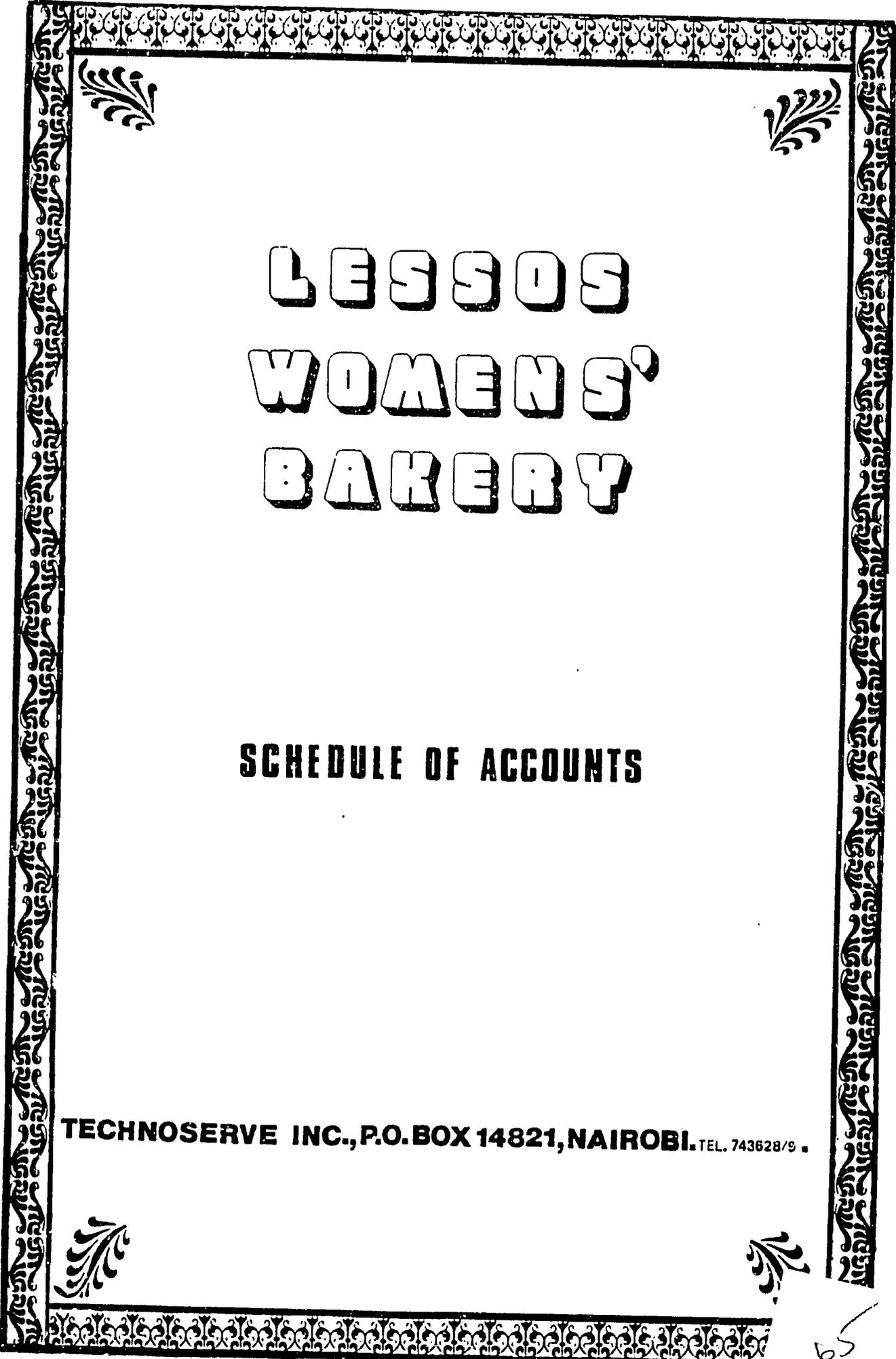
13



**Kapnyamisa Women's  
Project**

**SCHEDULE OF ACCOUNTS**

**TECHNOSERVE INC.  
P.O. BOX 14821,  
NAIROBI, KENYA.**

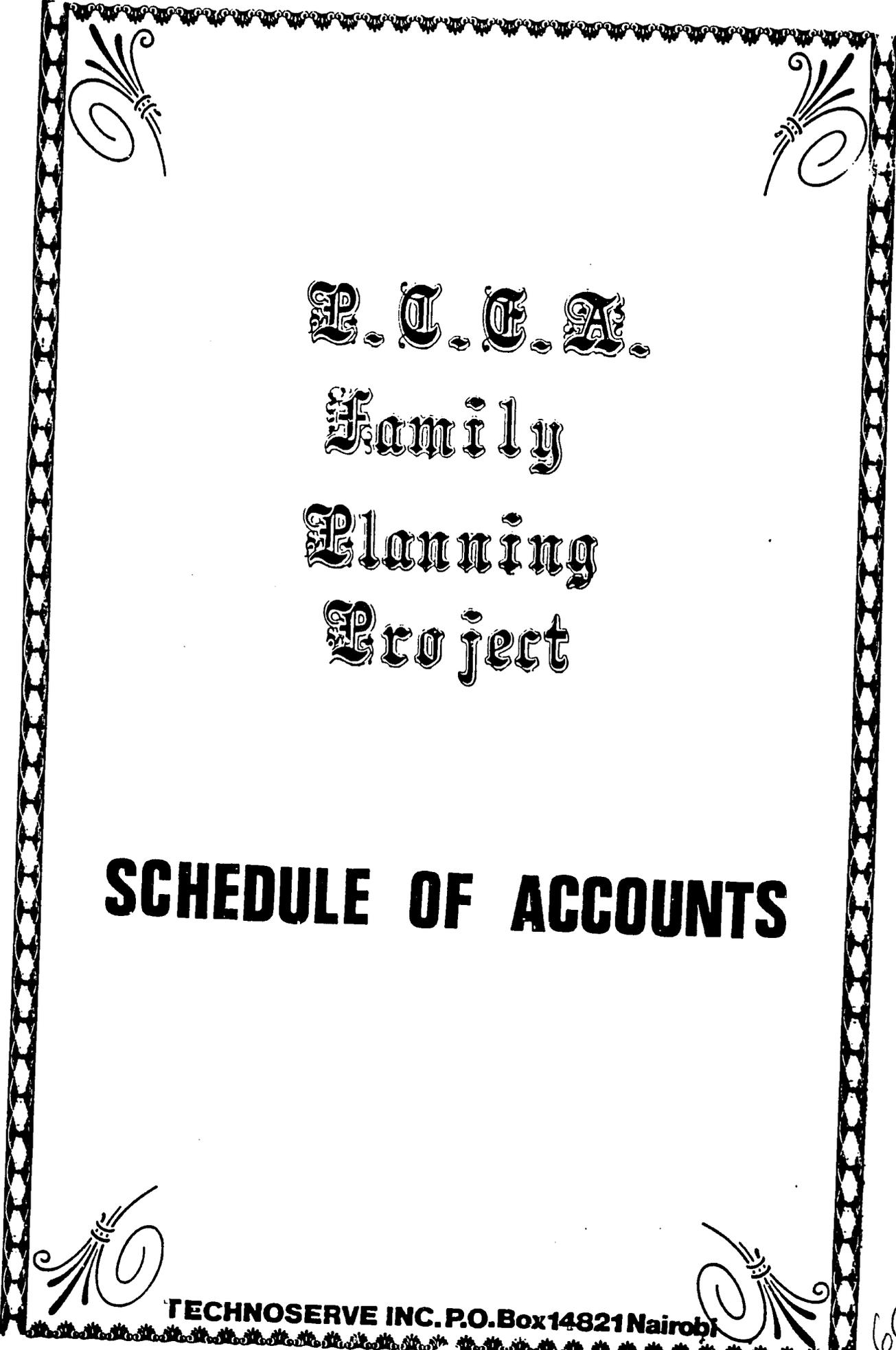


**LESSOS  
WOMENS'  
BAKERY**

**SCHEDULE OF ACCOUNTS**

**TECHNOSERVE INC., P.O. BOX 14821, NAIROBI. TEL. 743628/9 .**

65



R. C. C. A.

Family

Planning

Project

**SCHEDULE OF ACCOUNTS**

## Ngonyek Women Group Social Welfare CASH PAYMENT VOUCHER

Item No	Quantity	Unit Price	Description	Account	Total

Paid to ..... Date.....  
 Authorised by.....  
NO.

## Ngonyek Women Group Social Welfare CASH PAYMENT VOUCHER

Item No	Quantity	Unit Price	Description	Account	Total

Paid to ..... Date.....  
 Authorised by.....  
NO.

## Ngonyek Women Group Social Welfare CASH PAYMENT VOUCHER

Item No	Quantity	Unit Price	Description	Account	Total

Paid to ..... Date.....  
 Authorised by.....  
NO.







# Ngonyek Women Group Social Welfare

## CHEQUE AUTHORISATION VOUCHER

Pay to..... Address.....

The Sum of.....

REF.	INVOICE NUMBER	DETAIL	AMOUNT

Cheque No..... Dated.....

Authorised by..... Prepared by.....

# Ngonyek Women Group Social Welfare

## CHEQUE AUTHORISATION VOUCHER

Pay to..... Address.....

The Sum of.....

REF.	INVOICE NUMBER	DETAIL	AMOUNT

Cheque No..... Dated.....

Authorised by..... Prepared by.....

# Ngonyek Women Group Social Welfare

## CHEQUE AUTHORISATION VOUCHER

Pay to..... Address.....

The Sum of.....

REF.	INVOICE NUMBER	DETAIL	AMOUNT

Cheque No..... Dated.....

Authorised by..... Prepared by.....

TECHNOSERVE  
MEMORANDUM:

TK-613

TO: Eric Pinkerton  
FROM: H. Minyoki/H. Otiano  
DATE: 14th May, 1985  
SUBJ: Training & Implementation of Accounting Systems  
At CPK Diocese of Eldoret/Parishes

Our visit to the diocese from the 15th - 28th of April, 1985 was for the intention of implementing the accounting system for the parishes that had forwarded their requests.

This did not proceed smoothly as we had originally anticipated in our plans, because of the following reasons:

(a) The diocesan Accountant we had previously trained during our first visit to handle the diocese accounts had made some changes on the periods we had covered with him during his training period that necessitated:-

1. reviewing and checking the books he had used and the effects they had caused on the
2. re-doing the bank reconciliation statements.
3. re-writing of ledger sheets
4. assisted in compiling trial balance for the first six months backlog.

(b) The diocese had not arranged or briefed the parish treasurers on who Technoserve was, when we were to visit them and for what purpose. As a result of (b) above we asked the diocese to arrange for us some Seminars which did give us a chance to introduce Technoserve as well as the system.

Although there was Communication problem, due to location of the parishes, the arrangements were successfully done and on the 20th April, 1985, we conducted two Seminars simultaneously one in Eldoret and another one in Kaptebet.

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During the Seminars we reached good understanding with the Treasurers and visiting dates were fixed for the beginning of week that ended on the 26th April, 1985.

Achievements Between 22 - 26th April, 1985

Between 22nd - 26th April, 1985 we managed to visit and train Treasurers who keep records for the following parishes.

1. St. Erenobas
2. Nandi Hills
3. Olsson
4. Molben Zing
5. St. Pauls parish
6. Kip-Kabus
7. Turbo
8. Sergoit
9. St. Mathews
10. Kap-Komur

We managed to initiate the writing of the above parishes cashbooks according to the new system effective from January 1985, and we had also the opportunity to demonstrate to the Treasurers how to compile monthly return forms for the diocese.

The training seemed encouraging due to the Corporation we have from the Treasurers but requires further follow-up.

On the 27th April, 1985 we had another Seminar in Kitale which was attended by five Treasurers from:

1. Kongois
2. St. John Elgon
3. St. Lukes
4. Kapanguria
5. St. Pauls

Lastly on the 28th April, 1985 on our way to Nairobi we had a meeting with Inabkoi Treasurer.

Due to time factor we were unable to do any practical job with the five Treasurers we met on the 27th April, and the Nabkoi Treasurer on the 28th April, apart from introducing Technoserve, the system that includes the requirements from source documents to the standard forms designed for the purpose of the system. We hope when given a further time we shall be able to cover them in training, including those who shall have sent their requests between now and then.

#### General Observation

The diocese as an Institution should have a guiding management policy that coordinates the Dioceses/Parishes/Churches, and if there is, it is not well communicate.

During the Seminars we had discussions with the Treasurers where they expressed freely the problems they are encountering and there was seen to be a need that the diocese as an Institution should formulate some policies which go along with the new accounting system.

- i.e. - There should be a line communication from the Bishop - Diocesan Accountant - parish Treasurer - to Church Treasurers in the management of funds.
- There should be a guideline on the operation of budgets and budgetary control up to church level.
- There should be a guideline as regards a proper system of collection of cash from churches, parishes, diocese.
- There should be a proper-guideline in the handing over to new Treasurers
- There should be a guideline in the payment of allowances/salaries as there are cases where some vicars decide on their own what allowances or salaries to be paid to them.

Some of the benefits that would arise if the policies are put in are:

- (1) The management reporting system will be improved.
- (2) There will be increased motivation of all those who are involved in church work as an organization that goes from the diocese to church level.
- (3) It will help to ensure that there are plans for every activity within the diocese.
- (4) The objectives of the diocese will be clear.

There seems to be a need that some of this policies should be part of the system as it is being installed to enable it succeed, hence the participation of the bishop in the training of the Treasurers, vicars and the church leaders.

#### Conclusion

Out of the sixteen requests we have gone through there is need that further follow-ups and training programmes be arranged as printed out in the earlier paragraphs, and for this to succeed we should have reliable vehicles preferably 4 wheel drive because of the nature of roads.

We also have to put forward at this stage that during this trips we managed to do more parishes because we borrowed one Diocese vehicle otherwise due to distances between the parishes we could have done less.