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Business Management Extension Program

(Project 645-0234)

A Final Evaluation and Sustainability Plan

FINAL REPORT



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by Roland Pearson
Stark Biddle
Janis Sabetta

Development Alternatives, Inc.
7250 Woodmont Ave.
Suite 200
Bethesda MD 20814

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LIST OF ABBREVIATIONS

BDO	-	Business Development Officer
BMEP	-	Business Management Extension Program
CIDA	-	Canadian International Development Agency
EEC	-	European Economic Community
EO	-	Extension Officer
FTP	-	Full Time Training Program
ILO	-	International Labor Organization
IYB	-	Improve Your Business
MITC	-	Manzini Industrial Training Centre
NGO	-	Non Governmental Organization
PACT	-	Private Agencies Collaborating Together
PIR	-	Project Implementation Report
PTT	-	Part Time Training Program
PVO	-	Private Voluntary Organization
SBGT	-	Swazi Business Growth Trust
UNDP	-	United Nations Development Program
USAID	-	United States Agency for International Development

EXECUTIVE SUMMARY

The Business Management Extension Program (BMEP) is entering a critical stage in its existence. In less than two years, BMEP will lose the grant from its primary, and for some time, only donor source, namely USAID, which to this day still supports over 70% of the organization's cost base. Aside from this change, there are shifts in the Swazi economy and other market dynamics, with particular relevance to micro and small enterprises.

These factors have prompted the need for this report and the process that will flow from it. What follows is an evaluation of BMEP's strengths, weaknesses and performance in three vital areas - organizational capacity and structure, market viability, and financial position. The real thrust of this report, however, goes beyond evaluation to determine if and how BMEP can sustain itself over the long-term, looking in detail at each of these vital areas.

Key Themes

There are five key themes that run as an undercurrent throughout this report. They include:

- o Balancing time spent on the cultivation of **external** contacts and relationships with time spent on **internal** management;
- o Cultivating a **broad assortment** of potential supporters in order to not neglect a prospective source of income versus the importance of **concentrating** on those with the greatest likelihood for success;
- o **Diversifying** the program to attract a variety of funding sources as opposed to **concentrating** the program in areas of core emphasis;
- o Focusing on the **neediest populations** who may be the least able to compensate for services or concentrating on a **more upscale beneficiary** market capable of paying for training and extension support;
- o Shifting the "culture" of the organization to reflect a more **businesslike ethos** while remaining responsive to the concerns of **equity and social responsibility**.

Key Findings

BMEP is a basically sound organization. Its significant attributes include:

- o A well recognized and respected Director;
- o A good reputation among clients, government and other service providers for offering a needed and quality training and consulting service;
- o Service to a niche which is generally not addressed by other institutions;
- o Generally appropriate course content for their market;
- o An interested and intellectually engaged board of directors;
- o Staff that know their own strengths and weaknesses, can pick up and adapt new ideas and are willing to learn;
- o A client base that values and is willing to pay meaningful fees for BMEP's services.

BMEP is operating in a market area, small enterprise training and consulting, where there is considerable opportunity to develop a strong and diversified funding base from multiple sources. Meanwhile, it is important to remember that **unless and until there is a larger consensus around fundamental guiding principles, BMEP will find it immensely difficult to define and pursue a clear and focused programmatic course.**

BMEP offers to major products - training and extension - and in both areas they largely have met the requirements of the 1992 revised Cooperative Agreement with USAID. Between October 1, 1992 and August 26, 1994 BMEP conducted 7 Full Time Training Programs (FTPs) with a total of 104 people attending, 65 males (63%) and 39 females (37%). Of those participants approximately 42 % (44 individuals) were or are active extension clients of BMEP.

At present the three extension officers each have the USAID required twenty active extension clients. Turnover is difficult to determine under the present recording/reporting system. It is reasonable to say that over the two year period 100 clients were reached.

Neither the quality nor size of the credit portfolio have satisfied the standards set, although there has been improvement in collections since the hiring of a Credit Officer. It seems very unlikely that the credit program would ever have the performance or impact necessary to justify retaining it.

Training is a major product of BMEP and BMEP should strive to be at full production. However, **BMEP training staff is grossly underutilized.** If utilization of the training department is not substantially increased, no level of charging for services will push BMEP anywhere near self-sustainability.

BMEP Business Development Officers (BDOs), aka Extension Officers, also went through a staff utilization exercise, similar to the one done with the training staff. Assuming there will be 4 BDOs, there will be approximately 880 person-days per year to provide Business Advisory and Consulting services. The new plan reflects moving this unit from 364 billed days of work in 1995 to 482 in 1997. There is room for further productivity, but this represents a good start.

By 1997, the first full year after having gone through the Transition Period, the financial model reveals that BMEP could support a little over 50% of its recurring expenses out of internally generated income. Keeping in mind that overall recurring expenses are scheduled to rise approximately at the rate of inflation and that staff utilization and productivity are markedly improved by 1997, it would seem reasonable to expect that BMEP will be very hard pressed to not require a long-term subsidy of not less than 40% to 45% of its total expenses over the long term.

Key Recommendations

BMEP will have to incorporate new skills and increased capacity, if it is to make its transition to a sustainable organization successful. Thus it is **strongly suggested that the board be expanded by two people and that those new slots be filled with people who augment the board's diversity and can help in managing the organization financially, while assisting in the fund raising task.** Furthermore, BMEP staff and management should expect to realign and increase their duties and levels of responsibility.

Everyone, from the board of directors on through the rest of the organization, will have to step up their contribution to the organization. The Evaluation Team has tried to recommend evolutionary versus revolutionary changes to take advantage of the organization's strengths and not cause unmanageable stress from the transition. Nonetheless, significant tasks over the next 18 to 24 months will include: the board's **undertaking of a comprehensive Strategic and Marketing plan;** and a process of **board strengthening and development** that in part will be facilitated by going through the planning processes itself, but also through explicit training in the role of boards and other pertinent topics. These exercises will set the direction and specific path for the organization. In addition, the processes are expected to lead to tangible action steps and outcomes, and in and of themselves allow all those involved in BMEP to gain a sincere sense of ownership in the organization.

The Evaluation Team does not see that there would be any decline in client interest to use BMEP for its training and advisory services, because the organization phases out its loan program. There are too few clients in the market who have received BMEP loans and the public perception of BMEP is as a training institution. No surveys taken by this Evaluation Team or by previous consultants revealed any correlation between clients wanting BMEP training and advisory services and thinking they could also receive a loan.

It is recommended that training materials be organized by topic "modules". A module folder should include all relevant material to prepare for and deliver a training session. Organizing session designs in this manner should reduce future planning and prep time. A trainer should be able to "pick" the module from the shelf, review the plan, adapt it for personal style, copy materials and facilitate the session without much effort. The ability to develop and deliver these modules will be critical to BMEP in two respects. First, it represents a key element of the model that BMEP must sell to potential donors and clients. Second, the ease and flexibility of using modules will lead to a much better ability to raise productivity.

One way for BMEP to operate more profitably and expand its impact is to offer contract training, in which BMEP presents training presentations for other organizations on a contractual basis. BMEP has become successful in this area and efforts should be concentrated to nurture this type of work. It frequently requires training to be delivered to a preexisting group of people. Recent examples are the retrenchment training of the Central Bank Employees jointly funded by STRIDE and the Central Bank, and the rural training for Women's Income Generating Groups funded by the United Nations Development Program (UNDP). Often the clients request similar products to those already in use at BMEP, and it is recommended that BMEP remain within its product line when pursuing new clients. It is also recommended that BMEP not enter the time consuming business of identifying multiple rural groups, but that it continue to work with agencies who are currently working with preexisting groups.

The organization needs to develop a monitoring system. Now that the external requirements will be removed, the organization should focus on quality of service and impact of service and not solely on number of clients contacted. It should be comprehensive in the methods, approach, frequency and reporting requirements. Plans to tie it to the staff evaluation system should also be included.

Finally, it is vital for BMEP to cultivate and develop a broader array of contacts and liaisons with potential donors, as well as referral and support organizations, particularly in Swaziland and the southern African region. In conjunction with this recommendation, the Evaluation Team is strongly suggesting that USAID / Swaziland work within its organization and with BMEP to **find a way to extend the period over which USAID provides the remaining grant funds available to BMEP.** It is estimated that, because of a favorable exchange rate, there will be approximately E480,000 remaining in the grant for BMEP at the November 1994 end of the current contract.

By building a stronger institution and actively seeking to meet the needs of its client market with better designed and delivered training and consulting services, BMEP will have set the foundation for achieving financial sustainability. With the three pillars of sustainability in place - organizational sustainability, market sustainability and financial sustainability - BMEP will be a truly viable and sustainable institution.

SECTION 1 - INTRODUCTION

Sustainability is not a game of chasing the biggest dollar or pound. In fact, acquiring the money needed to sustain an organization is the last step in a process of sustainability. More important than financial support, or at least as a prerequisite to financial sustainability, an organization must strive for institutional and market viability and sustainability.

Prospective donors and clients will be attracted to and by an effective organization - namely, one that can articulate a clear mission, define its products, and project a professional image. Small enterprise clients will respect and recognize an organization that provides quality services at a reasonable price. Donors will appreciate supporting a program that has designed a tangible and effective approach to serving poor communities. Everyone benefits from a staff that is motivated to improve themselves and thereby deliver better results to clients.

From these and other similar attributes, and because they are evident, money will become available. Donors will want to support the institution, and clients will value and be willing to pay for services. Yes, at the end of the day, the bills must be paid. But the pressure to meet the payroll will be alleviated by ensuring that board, management and staff are properly trained and productively performing their appropriate tasks. Donors will fund and clients will pay for products and services that they can readily identify and which yield measurable benefits. New markets can be tapped if systems and procedures are in place to respond to inevitable changes in donor whims and client needs.

The central premise of this report is that institutional sustainability is comprised of three components: a healthy organizational structure; a well developed and reasonably protected market niche and a sound financial base. While a strong financial base may be the most obvious and perhaps most difficult challenge for any organization, it is very much derivative of a healthy organizational structure and the capacity to identify, develop and exploit a favorable market niche.

There are three core sections to this report. The first, covering Organizational Sustainability addresses the issues of board relations and composition. We take a look at the role of the board and management and the relationship between them. This section introduces the concept of the Transition Period in which we suggest BMEP and USAID frame its actions over the next 18 to 24 months. There is a discussion about the changes in board, management and staff responsibilities, as well as a broader perspective on what changes to expect in the development of a strategic vision and operational plan.

Section 3, entitled Market Sustainability, is the main evaluative portion of the report. We assess BMEP's performance in light of the parameters set out in the 1992 revised USAID Cooperative Agreement. We focus on BMEP's two main product areas, training and extension, and make recommendations for improvement. Included here are indications of how the market has reacted to or may react to certain changes in key product content or delivery.

The next section, brings together the recommendations of the previous two to reveal the financial implications. It is very important to note that we are presenting a base from which BMEP itself can move, as it embarks upon its own processes of planning and implementation during the transition period.

The numbers will change. As the planning processes unfold at board and staff levels, different priorities will emerge, leading to different financial results. Our aim has been to set out some basic principles and suggest directions that seem to make the most sense under the current circumstances.

Appendices to the report include an illustrative financial forecast based on the preliminary assumptions set forth in the report, a proposed time line for the Transition Period, a synopsis of BMEP performance in chart form, and a selective overview and listing of prospective sources of support for BMEP with some suggestions regarding the formulation of a fund raising effort. There also are lists of reviewed documents, people interviewed and a survey taken while in Swaziland. The Evaluation Team has interviewed all of BMEP's staff and management; observed staff in the field in training and consulting; interviewed over 30 BMEP clients; interviewed all but one board member; read numerous primary and secondary source materials; and

engaged BMEP at key points throughout the Team's presence in Swaziland to test assumptions and spur BMEP to take an active role in establishing its own future.

This is an evaluation, and in brief it is safe to say that BMEP has satisfactorily met the major conditions of the cooperative agreement. But more than just an evaluation, this report seeks to shed light on BMEP's path to long term sustainability in all its dimensions.

SECTION 2 - ORGANIZATIONAL SUSTAINABILITY

A. Introduction

This section addresses the organizational capacity of BMEP to strengthen its funding base and discusses a range of measures that BMEP could consider to diversify and deepen financial support. It places heavy emphasis on the organizational and managerial antecedents that must be put in place before BMEP can become a financially viable enterprise. It also deals with important issues that BMEP will have to address if it is to design and implement a credible fund raising and development program.

BMEP has been very successful in designing and implementing training programs and extension services for small businesses and emerging and potential entrepreneurs in Swaziland. The growth and maturation of the organization has been supported almost entirely by a single USAID grant and BMEP has not, until now, been required to diversify its funding base or engage in the process of cultivating alternative sources of support.

BMEP is now entering an important transitional period marked by the approaching termination of USAID support. During the next 18 to 24 months the organization will have to design and begin to implement a **program of financial and institutional independence**. Not only will BMEP have to locate, cultivate and access alternative funding sources, but they will need to address a variety of organizational and governance issues central to the task of **building effective independence and autonomy**.

Some of the issues are straightforward, such as the compilation of a prospective donors list. Others are more intangible, such as the re-articulation of a clear and broadly felt sense of organizational mission that derives from BMEP's own sense of identity and purpose. While USAID oversight has, to its credit and in most regards, been reasonably light handed, the existence of a predominant donor with the full panoply of regulations, reporting requirements and evaluation procedures has provided a guiding framework that BMEP will have to replace with its own systems, procedures and unique organizational style once the USAID grant terminates.

The Transition Period offers an important opportunity and a significant challenge. During this period BMEP must restructure and reposition itself as a sustainable and growing organization, if it is to play a continuing role in Swaziland's development. **It is critically important that BMEP approach the Transition Period in a structured and systematic fashion and that the organization think through the sequence of interlocking activities that will need to be accomplished during this period.**

During the Transition Period, BMEP will need to deal with the following types of issues that are difficult, because they involve a determination of the appropriate balance point along a continuum of alternative possibilities:

- o **Balancing** time spent on the cultivation of **external** contacts and relationships with time spent on **internal** management.
- o **Cultivating a broad assortment** of potential supporters in order to not neglect a prospective source of income versus the importance of **concentrating** on those with the greatest likelihood for success.
- o **Diversifying** the program to attract a variety of funding sources as opposed to **concentrating** the program in areas of core emphasis.
- o **Focusing on the neediest populations** who may be the least able to compensate for services or **concentrating on a more upscale beneficiary market** capable of paying for training and extension support.

- o Shifting the "culture" of the organization to reflect a more **businesslike ethos** while remaining responsive to the concerns of **equity and social responsibility**.

B. Generic Organizational Characteristics

Non-governmental and voluntary organizations that are institutionally stable and have developed a strong financial base of support frequently show some or all of the following attributes:

A popular and sharply focused program area. Although perhaps obvious, organizations that function in a currently active and popular program area will find it easier to attract financial support, strong board members and motivated and technically qualified staff. It is equally important for non-governmental organizations to carefully and sharply define their area of comparative advantage in order to develop a distinct identity, and ensure donors of established technical and managerial competence.

An effective planning process. Successful, growing organizations need to spend an increasing amount of time on developing both tactical and strategic plans of action. This particularly includes the development of a long range strategic plan. A strategic plan that is taken seriously, reviewed annually and revised as conditions dictate is an extremely important institutional mechanism for providing thematic coherence to the diverse activities of the organization. It is especially important for organizations that are about to embark on a fund raising effort, because it imposes a framework of principles to ensure that the external message that the organization sends is consistent with what it does. Market planning is also important both to clearly identify market opportunities for the program and to chart a careful fund raising effort that is targeted and cost effective. An annual marketing plan should articulate a strategy, identify categories of support and assign responsibility for implementation. The preparation of a marketing plan is important because it gives strategic meaning to numerous fund raising activities and provides a basis for later evaluation of the effort.

A compatible organizational structure. The organizational structure and staff capacity should reflect the importance of fund raising and thoughtfully balance the demands of fund raising with the important ongoing tasks of running the organization. It is important that fund raising not be treated as another task that can be simply added to an already full list of management tasks. Fund raising can be technically complex, very labor intensive and can pull senior management away from core management responsibilities. The fund raising function can generate significant internal staff tensions. For these reasons, the design and initiation of a fund raising effort needs to be done very carefully and should be based on a comprehensive review of responsibilities, functions and relationships.

Board involvement. Structured and supportive participation by the Board of Directors in the development process can provide the outreach, access and public credibility critical to building a strong base of donor support. An understanding of this role and of the responsibilities and functions of board members and staff is not easy to develop and frequently requires a deliberate institutional effort.

A broadly shared set of organizational values. It is very important that the board and staff of an organization share approximately the same set of values with respect to why the organization exists and how it should operate. This is particularly important with social service organizations because the staff of these groups are frequently motivated by a devotion to perceived principles. Acquiescence to a set of common values facilitates decision making, reduces internal conflict and gives definition and focus to everything the organization does. Understanding these values -- particularly when they are implicit and unstated -- is extremely important to effective management.

C. An Assessment of BMEP's Organizational Capacity to Diversify its Funding Base

An important and central component of BMEP's transition to organizational autonomy will be the development of strategic and marketing plans that will chart a course toward financial sustainability. These plans will need to be based on a candid assessment of BMEP's strengths and weaknesses so that the organization can capitalize on its quite considerable assets and so that corrective actions can be taken where needed. **It is very important that this process of self assessment be done internally so that BMEP board and staff have full ownership of the conclusions and broad agreement with regard to emerging implications.** The following assessment is based on the generic principles and lessons briefly identified above.

1. The donor market for BMEP services.

BMEP operates in an important and currently popular area. Training for small and emerging business is a priority for the Government of Swaziland and, in general, to the bilateral and multilateral donor community. The activity is of potential interest to local companies and particularly to local lending organizations which are interested in stimulating the development of a capable, informed and thriving private business sector.

There are a number of expatriate private voluntary organizations (PVOs) that have active programs in small enterprise development and several that concentrate exclusively in that area and that have developed considerable technical expertise. In addition, there are numerous South African non-governmental organizations (NGOs), several of whom receive USAID support, who work in the area of small enterprise development and that could potentially provide support and guidance to a sister organization in Swaziland.

BMEP's activities are of possible interest to private American foundations and to the multilateral donors. The World Bank has indicated interest in supporting BMEP and the UNDP currently provides assistance through a small grant program.

Finally, BMEP is in a position to begin to cultivate and appeal to those individuals who have benefitted from its services and are increasingly in a position to make direct charitable contributions. In summary, **BMEP is operating in a market area where there is considerable opportunity to develop a strong and diversified funding base from multiple sources.**

2. The BMEP Product

BMEP has designed and implemented an effective training and small business extension program. While this report contains several recommendations for improving the content and delivery of BMEP's operations, it does not raise fundamental issues with respect to the overall value of the program. Nonetheless, from a fund raising and financial sustainability perspective, there are several concerns that BMEP board and staff need to consider:

Program Focus. To its credit, BMEP is energetically reviewing a list of initiatives and new directions that would strengthen its funding base and expand its impact. These include contract training to private companies, training support for retrenched government employees and tailored courses to meet a special market demand.

Defined Market. At the same time, **BMEP has had difficulty in sharply defining its area of comparative advantage and in reaching consensus with respect to the primary beneficiary population that it should serve.**¹ Finding the right balance between new initiatives and preservation

¹ This is evident from discussions with staff and board members. It is illustrated in the current Strategic Plan which was prepared by an outside consultant. That document presents a long list of program initiatives designed to generate revenue and expand BMEP impact. While individually attractive, these proposals are not developed in the context of an overall set of thematic principles nor are the organizational and managerial implications of handling such a diverse assortment of activities addressed.

of a core focus is a dilemma that most voluntary organizations have to deal with. It is problematic in BMEP's case because the organization is preparing for a transition to independence and financial autonomy. Diversification across too broad a spectrum will alienate donors and make it difficult for BMEP to articulate a persuasive and coherent argument of the pivotal and unique role that the organization can play in Swaziland's development.

Project and Activity Content. While BMEP's training activities are well respected and have yielded generally positive results, the Evaluation Team reached the conclusion that BMEP could strengthen its impact by more systematically developing and testing training models that derive from Swaziland's unique circumstances and that are potentially applicable in other situations. This approach would not require significant programmatic changes, although it does imply that BMEP fashion its programs in a more rigid and structured fashion than is currently the case and that it articulate its approach using the terminology of a model. A more deliberate emphasis on a model approach would strengthen the theoretical content of what BMEP does, underscore its special qualities and provide bench marks for evaluation. Importantly, it would increase BMEP's relevance and attractiveness to new donors by emphasizing BMEP's unique approach and by providing a better defined experiential laboratory than would otherwise be the case.

3. Organizational Structure and Staff Capacity.

BMEP's current structure was not designed -- quite appropriately at the time -- to accommodate a significant development effort, and the Director and staff of BMEP have virtually no training in fund raising from the private sector and limited experience in dealing with other bilateral and multilateral donors. External relations are currently handled by the Director, who prepares the occasional funding proposal when these are required. As BMEP develops a marketing strategy and begins the process of searching for and cultivating new sources of financial support, it will need to make a number of changes to ensure that it has the capacity to mount a fund raising effort while at the same time managing the affairs of the organization. These could include:

- o An internal reorganization to reallocate some of the Director's responsibilities so that she could concentrate an increasing amount of time on development;
- o Training for key staff in basic fund raising strategies and techniques;
- o The addition of staff to handle some aspect of fund raising such as the significant amount of routine correspondence, filing, monitoring and related clerical work that is required as an organization begins to develop an external constituency.

These changes are important, not only to strengthen the ability to raise funds, but because they will impact on the ongoing operation of the organization. They will need to be instituted carefully, as part of an overall marketing plan and with the full understanding and support of the Board of Directors. It is essential to understand that the development of a fund raising capacity involves a major change in the way in which an organization goes about its business.

4. An Effective Board.

An informed, supportive and active board is of critical importance to a successful development effort. This is true for positive and negative reasons. A supportive board can provide access, establish credibility and create a public climate of support and approval. Specifically, board members can make key introductions and can sometimes be directly involved in fund raising appeals. More generally, the board can provide enthusiasm, psychological support and much needed praise for a task that can be difficult and frustrating. Alternatively, the absence of board interest, support and understanding of the development effort can have a devastating impact on its success.

In the judgement of the Evaluation Team, BMEP has a strong and highly capable Board of Directors. While the Team has suggestions with respect to new skill categories, it is impressed with the individual

qualifications of the current board and with their potential capacity to provide the strategic leadership that BMEP will require during this transition period.² However, the Evaluation Team is aware of the **strong differences that currently exist with respect to BMEP's program directions and priorities and in particular with regard to the beneficiary profile that BMEP should be concentrating on.**

The clearest division in developmental philosophy seems to be over whether BMEP should try to serve the vast and growing number of very poor and younger school leavers ('Poorest of the Poor'); or try to spur development of viable small and eventually medium scale enterprises by assisting fewer but more promising entrepreneurs ('Swazis cannot always be the Small Man'). The 'Poorest of the Poor' and the 'Can't be a Small Man' arguments both have their merits and faults and have gone on for decades in the development field.

To some degree, these differences reflect and derive from inadequate and/or differential understanding of what BMEP does and the client base that it actually serves. To this extent, differences can be ameliorated through the periodic preparation of factual descriptive information that profiles the BMEP program. However, to an important degree, **the differences among Board members with regard to BMEP's future appear to derive from strongly held values and deep convictions with respect to development and the social and economic order. These convictions are valid and important and deserve the utmost respect.** At the same time the Evaluation Team believes that:

Unless and until there is a larger consensus around fundamental guiding principles, BMEP will find it immensely difficult to define and pursue a clear and focused programmatic course.

To illustrate, this will be particularly the case with regard to the following important decisions, which will be viewed quite differently unless there is an improved coalescence around guiding principles:

- o Definition of the target group with respect to age, and income status;
- o The relative emphasis on training large numbers versus training for individuals who demonstrate entrepreneurial inclinations and talent;
- o The balance between tailored contract training of individuals from government or private sector firms versus training for individuals who voluntarily apply on their own initiative;
- o The extent to which BMEP adopts businesslike language and approaches in the administration of its program and in its dealings with its clients, and the extent to which BMEP attempts to cover costs through charging services;
- o The BMEP salary structure and benefit package.

The differences in fundamental approach are exacerbated by several factors, which need to be addressed if the BMEP board is to play a supportive and contributing role. These include:

- o **Differential understanding of the BMEP program**, its history, how it operates and the financial realities that it faces. This is neither unusual or alarming but it does underscore the importance of a deliberate program of board education.
- o **Inadequate understanding of the role of a board of directors** and of the important difference between policy guidance and operational involvement. This is a deficiency by no

² While the Board should itself conduct a self assessment, the Evaluation Team suggests that consideration be given to adding one or two members from the private business sector. Consideration should also be given to including a small business person who has been trained and assisted by BMEP.

means limited to the BMEP Board and BMEP staff and it is one of the most difficult areas to deal with in strengthening board performance. In BMEP's case, the balance point is particularly difficult to determine because of the close physical and parental relationship with MITC.

- o **Insufficient attention to the structuring and operation of the board.** The operations of Boards of Directors need to be structured in a manner that reflects the purposes and goals of the organization and the challenges that are being faced. Deliberate and extensive attention needs to be given to such matters as board rotation, self evaluation and the identification of needed skill categories, the financial oversight function, the involvement of the board in budgeting and long range planning and the establishment and role of standing and ad hoc committees (Nominations; Finance; Development and Program Planning to name the four most common.)

5. Summary Assessment

BMEP operates in an active market area with considerable donor interest in the type of activities that BMEP supports. The prospects for funding are generally good provided BMEP can deal with a number of programmatic and organizational challenges. While BMEP is delivering a needed and credible product, much can be done to enhance its utility in the eyes of prospective donors. It is particularly important that BMEP sharpen and better define its institutional focus and that it package its training services in a manner that stresses their conceptual integrity and potential replicability.

To strengthen its capacity to deepen and diversify its funding base BMEP will need to restructure internal operations and responsibilities and train and perhaps augment staff in order to allocate adequate time for development. This needs to be done gradually and systematically and as part of an overall strategic plan. A critical issue involves the role of the Director and the gradual recasting of her time to focus on external relations.

Board strengthening and board development will be a critical component of BMEP's transition to effective independence. This is perhaps the most difficult challenge that BMEP will face because it involves the capacity to deal with potential conflict. To be successful, board development will need to address the fundamental differences in values and approach currently represented on the board. It also will be important to strengthen the board and staff's general understanding of the board's role and of the difference between policy and operations and to develop a more effective set of board procedures and operations.

D. Implications for BMEP

This brief assessment suggests several important implications that BMEP should consider:

1. In general, BMEP should adopt a long term strategic approach to the transition period and to the series of individual actions that will together constitute a program of institutional strengthening.
2. BMEP should approach the Transition Period as a block of time during which it will need to make a variety of institutional adjustments that are critical to its sustainability as an organization.
3. For the Transition Period itself, BMEP should adopt a phased and sequential approach that relates the various actions that need to be taken in systematic and integrated manner. To illustrate, a sequencing schematic is attached as Appendix A.
4. Central to all of BMEP's efforts to strengthen its institutional capacity will be its ability to address and clarify those fundamental issues of guiding philosophy and principle that are currently clouding its capacity to sharply articulate its mission.

5. BMEP should place heavy reliance on the **planning process** to sort through and deal with the multiple and interrelated challenges that it will confront during the Transition Period and beyond. Planning as a management mechanism can help in scheduling, prioritizing and identifying linkages and relationships that might otherwise be ignored. The **process** of planning is an effective way of sharpening and communicating values and institutional goals and will be particularly useful with regard to strengthening consensus on the Board. Planning exercises need not be burdensome and perpetually open ended if carefully designed and implemented.
6. BMEP needs to work through three different but closely connected planning exercises:
 - o The **Transition Period**, covering the period from the present through final disbursement of the USAID grant at which point BMEP should have cultivated a stream of replacement income equal to or in excess of the USAID contribution. This Plan should deal with revenue flows during the Transition Period; the design and replacement of systems and procedures; and actions to be taken to strengthen the governance system.
 - o A long term **Strategic Plan** designed to articulate goals and institutional purposes and to provide a thematic road map to staff and board members with respect to the guiding principles of the organization. The Strategic Plan should contain a description of the market in which BMEP operates, a candid assessment of BMEP's strengths and weaknesses, a vision statement of where BMEP wants to be in five years and a practical list of steps that the organization plans to take in order to get there. The Plan should be prepared by board and staff and **not** by an outside consultant, although BMEP may wish to seek external advice with regard to the design of the planning process and assistance in the form of periodic monitoring during the process itself.
 - o An effective **Marketing Plan** for BMEP including public relations, fund raising and the necessary restructuring of BMEP so that it can be in a better position to deepen and diversify its income base. The Marketing Plan should prioritize among alternative income sources; establish revenue targets by donor source; indicate steps needed to more attractively package the BMEP story; assign responsibility for cultivation, contact and follow up; clearly delineate the general and specific responsibilities of board members; describe the research, monitoring and administrative system and codify BMEP practice with respect to such things as letters of appreciation, the inclusion of overhead costs and the collection of donor profile information.

These three planning exercises are closely related. They could be prepared as part of a comprehensive document or, preferably, as separate efforts. The Transition Plan is a onetime exercise, the Marketing Plan should be updated annually and the Strategic Plan should probably be reviewed annually and seriously revised and updated every 3 years.

7. BMEP needs to engage in a systematic process of board strengthening and development. This process should begin within the next six months with efforts scheduled over roughly a year or for the duration of at least four board meetings. The process should terminate with a two day board retreat which, if feasible, should focus on the content of the Strategic Plan. Because of the nature of some of these issues and the value of an outside perspective, BMEP should employ the services of a facilitator to guide these discussions. Topics for discussion should include: the role and functions of boards; relations between board and staff particularly with respect to the distinction between operations and policy; the mechanics of board operations; the role of committees; the process of board turnover and

renewal. Prior to these sessions it would be helpful if the Director and at least two members of the Board could participate in a short term course on board operations.

8. BMEP needs to take a number of steps to strengthen its overall marketing effort. These should be addressed in detail in the Marketing Plan and placed in strategic context. A few of the more important aspects are briefly discussed below:
 - o **Case Statement.** BMEP needs to fashion a persuasive and carefully worded case statement that it can use in approaching donors that captures the essence of what BMEP does and why it does it. The case statement will provide an integrating preamble to various proposals that BMEP will be developing. This document is based on and derives from the mission statement but is designed to relate BMEP's program to the interests of potential donors.
 - o **Program models.** As discussed, BMEP should consider reformatting its program content and delivery to stress the application of testable models.
 - o **Staff Training.** BMEP should consider short term training courses in fund raising for the Director and perhaps for one or two of the senior staff.
 - o **A PVO or NGO Partnership.** BMEP should consider the possibility of establishing a partnership relation with an organization that is working in similar areas. While the Evaluation Team appreciates the fact that the previous relationship with CARE was not happy or particularly fruitful, it does believe that there is significant value in partnership relationships when there is a working atmosphere of equality and mutual respect.

BMEP has much to offer in terms of its hands-on experience and its considerable expertise in designing and managing training and extension programs and it has much to learn in such areas as fund raising, board development and donor relations. A partnership relationship can run the gamut from information exchange to direct financial support. The nature of the relationship will evolve over time. USAID can be helpful in nurturing partnerships by providing information with regard to NGOs that are operating in South Africa and by encouraging exchange efforts between these organizations and BMEP. Appendix B lists a few potential South African partners, along with other potential new sources of funds or information.

E. Organizational Issues for BMEP to Address

The following identifies and discusses several key issues that BMEP will need to address during the transition process.

1. Internal Restructuring.

The function of cultivating external relations is demanding and time consuming. Rarely can this responsibility be delegated, particularly in the early stages of the development effort. One option is to hire a senior individual to handle fund raising from formulating strategy to developing proposals to cultivating and making donor contacts. While this approach merits consideration, there are significant drawbacks which need to be addressed.

The negative implications include the high cost of a hiring a senior person; the difficulty of delegating an important responsibility of this nature; the priority that donors place on dealing with the Director of an organization; and the importance for the Director to be personally involved in order to develop a feel for the market and the fund raising process. In addition and particularly in the early stages of a development

effort, it is important to avoid the impression that program priorities are being subordinated to fund raising objectives.

Assuming BMEP does not employ a senior fund raiser, there are several alternative and not mutually exclusive ways to restructure internal operations in order to free sufficient time for external relations. These include:

- o Increased delegation of executive responsibilities to 2nd tier line officers;
- o Assignment of more program development and marketing functions to line staff;
- o Creation of a Deputy Director position to perform some of the internal managerial responsibilities previously handled by the Director;
- o Establishment of a Fund Raising Committee of the Board to handle the operational aspects of fund raising;
- o Addition of two new board members from the private business and financial community of Swaziland;
- o Employment of an interim fund raising consultant;
- o Provision of added clerical assistance to the Director to handle the large and time consuming administrative tasks associated with fund raising and external relations.

There are important pros and cons to each of these alternatives that need to be evaluated by management and the board with respect to cost, program impact, internal communications and such intangibles as management style and personal preference.

2. Transition Planning

A central theme of this report is that the achievement of financial sustainability involves a larger and more complex set of institutional considerations than the design and implementation of a Marketing Plan. In addition, the long term capacity of BMEP to deepen and diversify its funding base will derive from its capacity to sharpen institutional focus, restructure its internal operation, strengthen its governance system and cultivate strong partnership relations with prospective donors. BMEP will need to either re-adopt or re-design those systems, procedures and operating practices that were installed in connection with and as a consequence of the USAID grant. In totality, these alterations involve a very significant recasting of BMEP's entire structure. Because of the magnitude of these changes, the Evaluation Team believes that BMEP should develop a Transition Plan that would:

- o Comprehensively identify the financial and organizational and procedural actions that need to be addressed during the Transition Period;
- o Establish a process for dealing with these issues and identify responsibility for taking action;
- o Establish a time frame and a set of objectives for implementing the changes that need to be taken in order to strengthen BMEP's institutional capacity;
- o Include an interim financial plan for the Transition Period that would gradually phase down USAID support in tandem with growing support from other sources.

The Transition Plan should be done in close collaboration with the board and should describe a phased process of board strengthening and development. Because of the critical importance of phased USAID funding, the Plan should be coordinated with the USAID mission.

SECTION 3 - MARKET SUSTAINABILITY

A. Introduction

In the past BMEP has relied on donor funds to finance its operations, and over the long-run the organization will have to continue at least partial reliance on outside funding. However, it is unlikely that BMEP will be able to find enough donor and grant funding to sustain the level of operations it has achieved, or to take it beyond where it is now. The clear implication is that BMEP will need to carefully introduce and aggressively establish a policy and habit of charging its clients for services. At the same time BMEP will have to keep in mind the desire to serve a particular segment of the small enterprise market that is unlikely to be able to bear the full cost of BMEP's operations.

BMEP has already made a significant shift into a market, where a fully professional and private sector competitive attitude is not only appreciated and expected, but a lure to potential clients. For its sustainability financially and in terms of its market, BMEP must be more active in its planning and marketing, more specific in its products and targets and more "business like" in all its endeavors in order to survive as an organization. Productivity is a vital element of attaining a secure market position, and if it does not increase to serve paying clientele, then BMEP will be responsible in part for its own demise.

The previous section discussed the organizational aspects of BMEP's sustainability -- staff and board composition and relations, organizational planning, and other measures which strengthen the organization's structure and its people. This portion of the report focuses on the products and services of BMEP -- the training and extension services BMEP presently provides. Included here are suggestions and recommendations for modifications in content and delivery of the organization's operations.

A review of the performance of BMEP as measured against the bench marks set out in the 1992 revised USAID Cooperative Agreement begins this section. Then the report moves on to suggestions that reflect BMEP's need for market sustainability and at the same time preserve the best characteristics of the existing offerings.

B. Comparison of Project Goals/Outputs

Detailed below is an item-by-item narrative comparison of BMEP's activities over the last two years to the standards set out in the 1992 revised USAID Cooperative Agreement. Included as Appendix C is a table which summarizes these data.

- 1. Develop client's practical business management skills through full-time training programs. BMEP will offer 4 full time training programs per annum, reaching 100 participants.**

Between October 1, 1992 and August 26, 1994 BMEP conducted 7 Full Time Training Programs (FTP's) with a total of 104 people attending, 65 males (63%) and 39 females (37%). Of those participants approximately 42 % (44 individuals) were or are active extension clients of BMEP. Sixty One percent are still directly involved in a business enterprise as a manager / owner, 17% were or are employees of the business, 2 % are using the information in education, while there is no information at all on the remaining 20%. Another FTP is scheduled for October 1994.

The course provides a total of 60 hours of training in the following areas: Entrepreneurial Skills, Business Goal Setting, Business Planning, Basic Records, Stock Control, Costing and Pricing, Marketing, Credit Control, Cash Flow Projections, Sources of Funds, and Licensing. The courses are three weeks in length, Monday to Friday from 8:30am to 1:00pm.

The present tuition is E450. The August 1994 course represented the second time this fee was charged. While the fees were officially increased to E450 from E380 for the March 1994 course, the May 1994 course was actually billed to participants at E225 while STRIDE contributed the remaining E225 per participant to BMEP.

The course is advertised as an "Intensive Management Course" for existing and start-up businesses. The main goal is "to be able to produce a business plan that will meet their needs and assist them to monitor the business operation over time".

The majority of the participants are functionally literate, having attended some formal education. All have some knowledge of English. Most have no training in any business subject. Approximately 37% of the participants were from start-up and pre-business situations, while 63% of the participants were from existing businesses.

Interviews were held with 15 past training participants. Each and every one stated that they found the training in general extremely useful and in particular have benefitted most from the sessions on record keeping and cash flow planning. All were grateful to have been able to attend the training and felt that the skills are important to use in their businesses.

2. BMEP Extension program will provide business extension consultancy services to at least 100 clients.

At present the three extension officers each have the USAID required twenty active extension clients. Turnover is difficult to determine under the present recording/reporting system. It is reasonable to say that over the two year period 100 clients were reached. Clients are visited twice a month by design. Often clients will come to the BMEP office in between visits if they require assistance.

On the average 50 percent of the clients are female. Approximately 11% have no formal education, 20% have a primary education, 10 % have attended junior college, while 30 percent have some O level course work. Twenty five percent of the clients are between 21 -30 years old , 39% between 31 and 40. Most clients are owner/managers of the businesses with normally fewer than 5 employees. The maximum reported daily sales are approximated as E1,700 - E2,000 per day. Clients from the production, service, and retail sectors are represented.

The Project Implementation Report for the 1 April 1993 to 30 September 1993 period indicated the following: "Fifty-four (54) businesses were assessed for growth in preparation for the June quarterly client portfolio review. Over 70% were determined to have experienced growth in terms of...income (sic), profit / loss (sic), number of employees, total assets, turnover, owner equity.... It was also determined that the expanded businesses had hired an additional total of 135 people (2.5 people per enterprise)".

These types of figures, although not scientifically derived, are impressive and significant. They provide evidence that BMEP does play a very positive role in the development of Swazi small enterprises and contributes to addressing the national employment generation goal.

3. BMEP will hold three part time training programs per annum. Average attendance of 15 each for a total participation of 90 clients.

Part Time Training (PTT) did not meet the USAID goals for this period. Only three PTT events were convened between October 1992 and present. A total of 32 people participated in these events. (This information was provided from present BMEP officers, although please note that previous project implementation reports (PIRs) indicate that 4 training events were held with 88 people participating.) One training was held on March 31, 1993 for 5 trainees on Business Loan and Needs Assessment, another was held on March 31, 1994 for 6 trainees on Record Keeping and Cash Flow. There were no PTTs held from April 1993 to May 1994.

On June 18, 1994, a well attended (21 participants) 4 hour Saturday course, entitled Practical Marketing, was held at a local hotel. Participants were charged E50 for the workshop and STRIDE contributed E50 per person to BMEP. BMEP has been trying to redefine this training program, and feedback from the course participants was positive. But recently BMEP has allocated resources to contract training instead.

4. Provide small loans for working capital and equipment acquisition and lower bad debt ratio to 10% or below.

BMEP was required to maintain a portfolio of 75 active credit clients, establish a definite loan assessment, monitoring and write off policy and procedure, recomprise the loan committee, and write off bad loans promptly. Bad debts were to be kept at 10% or below.

BMEP has established written procedures and did hire a credit manager, whose main duty, since joining the organization in January of 1993 has been to collect arrears and bad debts. Otherwise, the terms of the cooperative agreement have not been met.

The PIR for the 1 October 1993 to 31 March 1994 period indicated that 11 loans had been disbursed during that time. However, 21 of 36 outstanding loans were either written off or referred to the lawyers during the same period. In addition, one of the 11 newly disbursed loans had fallen into arrears. These data indicate that BMEP has 26 active loans, not 75; and prior to the recent write offs and legal actions, the bad debt ratio was over 58%.

Two predominate rationale have been put forth as reasons why BMEP should have a loan program. One, there is a need in the market. Two, BMEP could use credit as a training tool for its own clients. Both factors are true, but neither is a good reason for BMEP itself necessarily to offer credit, and there are several reasons why the Evaluation Team is recommending that BMEP's credit component be phased out.

BMEP's credit program was introduced as an adjunct to an extension and training project; it has never received the attention it should have to be properly designed, implemented and promoted. Under this scenario the credit program did not and does not receive the proper amount or type of management attention or staff commitment it would need to be successful. Furthermore, BMEP is properly structured and staffed for training, not credit.

As it stands now and probably forever, the credit program is financially unviable, as shown in Appendix XX. Even under a best case scenario (where the entire E215,000 available from Barclays Bank is disbursed and bad debts lower to 10% - two achievements never even remotely approached by the program), the product would lose approximately E6,800 per year. This loss is before factoring in the cost of office overhead, management and the loan committee.

The credit assessment and disbursement process, while well documented, is very cumbersome, expensive and slow. This is procedurally confusing to BMEP staff and clients. In addition, the complications of the process and the costs of it are wholly disproportionate with the size of the loans, the sophistication of the clients and the number of people served. Even in the product's best year for volume in 1991, before any controls had been instituted, BMEP only disbursed 32 loans, most of which were subsequently written off.

Could the loan product be improved to reach more people and lower default rates? Of course it could. However, BMEP's reputation is in training, not credit; and the credit program only could be improved at great cost of diverting resources away from improving BMEP's core comparative edge in training and business advisory services.

The very low number of clients reached and very poor portfolio performance historically does not justify support of the first rationale. BMEP is not meeting a market need and cannot, without some major restructuring and training.

Moreover, BMEP need not risk its own capital and lose money even under the best hoped for conditions to train clients in effective use of finance. Banks, credit unions, NGOs and others in Swaziland who are better equipped to provide finance to small enterprises can and indeed do make a fairly regular practice of referring current or prospective borrowers to BMEP for development of business plans or training in other aspects of business.

In fact, the referral process is ongoing. The last PIR noted that BMEP assisted nine clients in applying for bank finance in the range of E5,000 to E10,000. At the same time, it is important to note that over the same period, BMEP itself granted almost the same number of loans -- eleven.

The referral interaction highlights two important points. First, BMEP is known as and respected as a training and advisory organization. Second, BMEP can still play a vital role in increasing access to finance for small enterprises by providing services in what they do best, for which they are most appropriately structured, and which can be done on a more financially sustainable basis.

The Evaluation Team does not see that there would be any decline in client interest to use BMEP for its training and advisory services, because the organization phases out its loan program. There are too few clients in the market who have received BMEP loans and the public perception of BMEP is as a training institution. No surveys taken by this Evaluation Team or by previous consultants revealed any correlation between clients wanting BMEP training and advisory services and thinking they could also receive a loan.

Thus BMEP should discontinue the assessment and disbursement of new loans and phase out the currently active loan portfolio. The Credit Officer seems to be a good candidate for moving over to a Business Development Officer (aka Extension Officer) position to offer Business Advisory and Consulting Services (aka Extension). Formal and informal linkages with credit providers should be further encouraged, so that BMEP can increase its capabilities to refer clients and at the same time be the recipient of increased referrals from credit providers. These moves play to BMEP's strengths and will lead to a more financially viable organization.

BMEP should discontinue the review of any loan applications currently in progress and refer these people to other more suitable credit providing organizations. All outstanding loans, none of which have maturities longer than one year, should be scrupulously monitored and closed once they have been fully repaid or deemed irrecoverable. In the meantime, it will be very important to compile a list of organizations to which BMEP can refer people for credit. This effort should be complemented with a more detailed negotiation of formal agreements and understandings that BMEP will provide business planning and consulting services to individuals who may want to access finance at other institutions, but who need some additional training or assistance to author a business plan or manage some particular part of their operations. Financially, BMEP should be able to wind up both the repayment of their line of credit to Barclays Bank and realize whatever income may derive from the outstanding portfolio by the end of 1995.

5. Implement a cost recovery program and find sources of non-USAID contributions.

Increase FTP fees in January 93

FTP fees were raised by March 1993, when the fees for the full time training course were raised from E120 to E380. The fees were increased again in February 94 by 18% and presently stand at E450. It should be mentioned that collection of the fees for the FTP is a problem. Two thirds of the way through the August 1994 course only E2,250 out of E5,850 had been collected. There is no defined system of payment in terms of process or responsibility.

Part time fee schedule

Fees were charged for the most recent Saturday Workshop. The rate advertised to the public was E 50 for the four hour session. STRIDE matched this rate at E50 per participant, hence the income generated for BMEP was E100 per participant. Fees for the previous two two-day workshops were E10 per day per person. A total of 11 clients participated, generating income of E110.

Contract Training

BMEP has in the past two years made considerable efforts in contracting its training services to various Swazi entities. These are primarily rural women's groups, church groups and the Swazi government. The topics covered include group theory, organization and roles, income generating activities, basic record

keeping, cash-in/cash-out, business opportunities. Income from these activities amounted to about E58,000 over the past two years.

BMEP was also awarded a contract from UNDP for E50,000 to provide training to rural women's groups. It also has been awarded a contract with the Central Bank, partially funded by STRIDE, to provide opportunity awareness training to retrenched workers.

BMEP has been reasonably successful in its efforts to generate income through its training services. Presently there are no central reports or statistics kept in the training department through which recipient demographics can be extracted. Organization of these data is vital for future developments in the department.

Proposals for long term training are largely developed by the Director. Short term courses (less than a week) may be structured by the training department together with the Program Manager.

Introduce fees for consulting services from September 1993

To date no fees have been charged for extension services or for office visits. As far as could be determined no fees were ever asked for, nor was the potential for payment ever discussed directly with clients. The concept of payment has, however, been under discussion with BMEP staff for the past two years. Numerous reasons were given for non implementation of this cost recovery program. The major reason seems to be that a method or process to introduce fees could not be determined, therefore nothing was done.

Some charges are levied for specific services ("quick fixes") such as tax documents, registration, business plans, and cash flow analysis. It is reported that fees are charged for these services when non-extension clients come to the office and specifically ask for them. Records are not kept by the extension officers on these contacts. This service is not specifically advertised or highlighted as a particular service of BMEP. A fee structure is not in place, as fees are determined by the extension officer and the Finance Manager as and when needed. The range of fees has been from E100-E200 per product. (This is roughly calculated as E33 per hour.)

Charge Competitive rents for workshops - 4 to BMEP clients, 4 to non clients

In 1993 BMEP received almost E37,000 in revenue for renting the workshop space. For 1994 that figure is projected to be lower at around E23,000. Neither amount reflects the full occupancy stipulated in the cooperative agreement.

Largely, the workshop space is an almost cost-free resource to BMEP. There is a minimal amount of maintenance expense incurred, but BMEP pays no rent for the space, nor any utilities. As such, the workshops represent a potentially lucrative product for the organization.

However, being a landlord and renting space is not BMEP's business and it shows in the low occupancy rates. Given the up side profitable potential of the units, they should be retained. However, BMEP needs to decide upon a pricing and marketing strategy, boldly advertise them, assign someone on the staff to oversee their total management and move on to their core business.

BMEP would seem to have had enough experience with them to know that retailers are not good prospects for the workshops, but that people who need warehouse space or run some sort of wholesale business and have their own transport can be good prospects for the space. BMEP has determined finally that E550 is a competitive price, and now needs to move forward in finding the right tenants.

Government subvention in 1994

BMEP has not really pursued this option too fervently, and that may be a good move. Through the few steps already taken by BMEP, it seems that this route to securing finances may be very long, uncertain, and ultimately non-existent. In addition, the Evaluation Team strongly believes that BMEP's sustainability will

derive much more readily through the adoption of a more business-like and professional approach and image. A government subvention severely would undermine this strategy, since people would view BMEP as a part of government.

There is access to government funds through various ministries to which BMEP can sell its services on a contract basis. Pursuing this avenue opens the door to possibly bountiful government funds, while allowing BMEP to maintain its professional approach and image.

6. Assess policy issues

BMEP's Director has been very active in attending meetings and becoming part of the Swazi network of small enterprise support institutions. Some of these interactions, such as the involvement with Tibiyo, have lead to participation in policy debate and formulation. Other involvements have lead to the actual receipt of funds (i.e. UNDP funded rural women's training).

The Evaluation Team would only caution BMEP that as it goes through its impending transformation, it will need to maintain a balance. Alliances and participation in various fora can and have lead to very tangible and positive results for BMEP. However, everyone's time, especially that of the Director, will have increased pressure upon in it from within the organization, which generally should be given priority.

7. Organizational Management

A committee was appointed and that committee did affirm the rotation provisions of the charter and supported broader sectoral representation on the board, in particular from business, finance, and law. While some new members recently have joined the board, sectoral representation in the areas specified still has yet to be achieved. A more detailed discussion of how this might take place has been addressed in the Organizational Sustainability section of this report.

8. Administrative Systems

Financial - Develop new financial systems and controls

Retaining an accounting and auditing firm and the hiring of a new Finance Manager in 1992 have both proven to be very successful moves. The Finance Manager is a skilled finance and accounting person and displays promising general managerial skills.

Based upon the observations of the Evaluation Team and reading of various primary and secondary materials, stipulated financial systems are utilized and adhered to, and the expected results are timely, accurate and consistent.

MIS - To create a manageable and accessible client base for reporting and evaluation

The data base for extension clients has been established and there are 44 entries. The data base contains numerous fields that cover a good deal of client information. Report formats were created that will generate client progress in assignments, weekly plans for extension agents, as well as general statistics such as gender, age, education level, geographical distributions, new clients, loan assessment clients, types of businesses, years in business, number of employees, etc. The data base has not been kept up to date since its initial entries and hence it is not used.

The use of the data base could be a tremendous asset to BMEP for use in reporting, income projections, planning, monitoring, tracking, etc. The staff should be provided training in, not only the use of the data base, but also should be exposed to the many ways the information generated can be used to guide their work and facilitate their service delivery.

The training officers also should be trained and encouraged to use the data base for their clients. Having a training base can be used in marketing and possibly in identifying areas of interest. The learning curve

and data entry may be laborious and time consuming, however, the benefits of a good Client Information System cannot be underestimated.

Procurement

BMEP has adhered to approved procurement regulations and procedures.

9. Reporting Requirements

Review of data at BMEP and records kept by USAID reveal that BMEP has prepared and submitted monthly financial statements and receipts, monthly budget and financial requests, detailed work plans and project schedules, and bi-annual Project Implementation Reports in a timely and satisfactory manner.

10. Coordination with Swazi Business Growth Trust (SBGT)

Coordination with SBGT specifically seems to have been spotty, as regular monthly meetings have not been scheduled. However, BMEP has forged a relationship with SBGT and other similar Swazi organizations through Tibiyo, the Council of NGOs, Skill Share and other fora. The Evaluation Team strongly believes that this broader outreach on the part of BMEP serves its interests much more effectively than the more narrow connection to SBGT alone.

BMEP's very good performance in these last three issues -- administrative systems, reporting requirements, and coordination with other programs -- should be seriously considered as USAID pulls away from its relationship with BMEP. If any sort of support is to be maintained beyond the probable closing of the Swaziland mission, it will be important to deal with organizations which know and diligently follow USAID's reporting requirements, so that both USAID and the organization can easily handle the administrative chores of the relationship. BMEP over the last two years has shown itself to be a very capable organization in this regard.

C. Recommendations for Key Service Areas

1. Training

BMEP offers three types of training programs, know as Full Time Training, Part Time Training and Contract Training. Each is discussed separately below. Observation of the August 1994 FTP, interviews with past training clients, review of several training related documents and responses to a questionnaire, distributed among participants in the August 1994 FTP (shown in detail in Appendix E), have all rendered valuable insight into how BMEP may strengthen its training products.

a. Full Time Training Program (FTP)

FTPs are courses 60 hours in length offered over three weeks Monday-Friday from 8:30 to 1:00pm. They are offered four times per year as required by USAID. Topics are presented in three 3.5 hour blocks and cover various business topics at a beginners level. Thirty minute reviews and fifteen minute evaluations are conducted daily.

Class size averages 15. The clients are a mix of potential and existing micro and small scale business entrepreneurs. Courses are advertised in the newspaper and over the radio. Word of mouth and recruitment by the Extension Officers is, however, the most effective means of advertisement. Responsibility for the trainings are shared among the BMEP staff , with primary responsibilities with the Extension and Training staffs.

Name

Trainings should have names/titles that reflect their content not their length (or day or place offered). The course title should mean something to someone outside the organization. This course is a Business Fundamentals Course. That (or something very similar) is what it should be called.

Length

It is recommended that the length of the program be reduced by one to two weeks. This can be approached in a number of ways, two of which are presented. First, some components/topics, when carefully planned and timed can be presented in less time than observed. This is particularly true for participants who are existing business people. This could reduce the FTP by 10 - 20 hours. An eight hour Saturday combined with a 20-25 hour week followed by another 8 hour Saturday could make up an entire course. Second, if it is sincerely felt that trainees in "start up" need longer time than another 20 hour week and Saturday could be added to the above scenario, or a forty hour week could be substituted for the initial week.

There is an implication that the Business Fundamentals Course should be redesigned and offered separately to start-ups and existing businesses. BMEP will have to weigh this approach against what it has seen as positive learning advantages, especially for people from start-ups, flowing from the mix of new and established entrepreneurs in the same classroom.

Frequency

Training is a major product of BMEP and BMEP should strive to be at full production. Given the current staff available for training and the USAID required number of courses, BMEP has approximately 660 person-days to deliver about 100 days of training per year. In other words, BMEP training staff, one of the organization's two core departments, is grossly underutilized. If utilization of the training department is not substantially increased, no level of charging for services will push BMEP anywhere near self-sustainability.

In an exercise undertaken with BMEP staff, a much more ambitious but realistic plan was devised for training staff utilization. As is reflected in the financial plan in Section 4, almost two thirds, or 425 of the available person-days will be spent directly on providing training by 1997.

A yearly calendar of events should be developed and reviewed quarterly. A published list of courses is a vital step towards actively attracting trainees. The events should include all internal training activities and anticipated external/contract trainings. As BMEP is no longer bound by the USAID quotas, some creativity in the planning process is encouraged. BMEP will need to set goals and standards for its training activities. BMEP should pay close attention to the market during this new testing phase, respond creatively and not be afraid to take a risk upon occasion.

Advertising

BMEP should put considerable effort into developing a marketing plan. Presently it appears that an advertisement is drafted and placed just prior to the event. A more active approach should be adopted. When the yearly training calendar is developed, then it should be distributed as a flyer. New brochures should be developed. Posters and various forms of media should be tapped. Word of mouth is still a very good source. Launch an education blitz through high schools and junior colleges, for example, where a sizeable proportion of BMEP's clients are likely to come from.

Content

The content of the training seems to be appropriate for the target group. Materials are relevant, sufficient and available. Some ideas follow in hope that they be considered in future similar courses.

The training officer should be familiar with the entire course content prior to the start of the event. All lesson plans should be available so that the Training Officer can review plans for content and flow. The officer should check for completeness and identify opportunities for linking and building activities. Course goals should be written and distributed to prospective and participating trainees.

Welcome, Introductions, Expectations and Goals can be covered in two hours. Formal registration and fee collection should be conducted during the tea break, so as not to take up valuable training time. Business Profile can be completed as a homework activity. BMEP Background should be a "five minute tour" during the introductions, including distribution of the brochure. It is not the appropriate time for a detailed account of other BMEP services. This should be presented towards the end of the course, when the trainees

have a need to know what their next step options are. By reducing the first six hours to two, the training can begin to immediately focus on the subject of entrepreneurship.

In most cases 30 minutes to review 3.5 hours of material is excessive. If the review is participant led (a presentation of an assignment, or facilitation of the review) or highly participatory (role play/skits), then thirty minutes makes sense. A question and answer type review should be limited to 15 minutes. Since many of the topics build on each other, the content is revisited in subsequent sessions. Reinforcement is built into the progression.

Continue with the use of case studies to illustrate and practice concepts presented. This will keep the sessions moving and help them to remain focused on the concept. Application of the concepts to personal situations should be assigned as homework or discussed in an individual session.

It is recommended that the materials be organized by topic "modules". A module folder should include all relevant material to prepare for and deliver a training session. For example, a complete lesson plan should include reference to goals and objectives, time anticipated, materials and equipment required; all activities from introduction to summary outlined by the experiential learning cycle -- experience, process, application - - facilitation questions and anticipated responses; comments on past successes/failures of the plan; and copies of all possible/relevant handouts, samples of flip charts, overheads or other materials used.

Organizing session designs in this manner should reduce future planning and prep time. A trainer should be able to pick the module from the shelf, review the plan, adapt it for personal style, copy materials and facilitate the session without much effort. The ability to develop and deliver these modules will be critical to BMEP in two respects. First, it represents a key element of the model that BMEP must sell to potential donors and clients. Second, the ease and flexibility of using modules will lead to a much better ability to raise productivity.

Trainers

Full responsibility for the design, coordination, implementation and reporting of the course should lie with the training department. It is not considered unreasonable for one trainer to lead or facilitate for a group of 15. Resource persons/support trainers, including Extension Officers, should be available to provide technical expertise or to assist with breakout group work. The additional personnel should not be placed in a lead role.

Trainees

While it is a premise of adult education to draw on and share participant experiences, there are situations where the information gap is too wide to keep the attention and interest of all participants. By convening separate courses for start up and existing business people a more specific and personal training may be delivered.

Materials

It is the Evaluation Team's opinion that dividing the Business Fundamentals Course into two parts, one for start-up and one for existing businesses, would not entail a major redesign effort. As alluded to previously in discussing course length, course content may remain the same, but the length may be adjusted to suit one or the other group.

There appears to be a good supply of supporting materials for training. Presently there is a combination of International Labor Organization /Improve Your Business, CARE, BMEP, TRIDENT and other miscellaneous information in use. The materials should continue to be used and adapted as needed for Swaziland.

Posters are well designed and Swazi specific. The art work has a professional polish and is attractive. It is recommended that more material of this nature be developed and current work be laminated and properly indexed and filed. (William Pitcher and Educational Resource Centers used to have laminators and plastic.)

A little polish goes a long way. Improve on the foolscap for the name tags. Why not improve the quality of the folders. Organize the course in advance and have the handouts bound in a booklet. Trainees could read ahead, and eliminate running around finding materials for absent participants. In addition, bound booklets are more professional than single pieces of paper. Tidy up the room on a continuous basis. Start each day afresh with only planned visuals in front view.

Equipment

Continue the present combination of flip charts, overhead and video. A coat of white paint on the classroom wall would greatly increase the visibility of the overhead, thereby making a screen with little effort or expense. Transparencies are easily stored and highly reusable. Permanent information -- for example the qualities of an entrepreneur, the example of a business goal, specific session objectives -- are overhead material.

Coordination/Logistics

Coordination and logistics are the definite and sole responsibility of the training department. A logistical "to-do" checklist with time line should be developed for planning purposes. For example, four weeks prior to start, place advertisement; three weeks prior do x, etc. This kind of organizational tool will make planning much easier and less worrisome.

Staff Development

All BMEP staff is presently involved in designing and delivering training sessions. All staff should be presented with opportunities to hone these skills. Informal, immediate and inexpensive opportunities exist.

Recruit a lecturer from William Pitcher to give an afternoon session on lesson planning. Staff could create a lesson plan format to be used as a standard for all future training sessions. The training officers can practice on the BMEP staff with refresher sessions on the experiential learning cycle, how to use a role play, case study, etc. The Refresher Training of Trainers from Improve Your Business (IYB) should remain in the plan and be requested at the earliest possible time.

Reporting

FTPs are in general well documented. Reports for each cycle are filed together with participant lists, business profiles, daily evaluations and schedules. In future, session designs and course goals should also be included. So as not to be overrun with paper, the daily evaluations can be summarized and originals destroyed. As they are primarily formative in nature, a summary should provide sufficient information for future reference. The final evaluations can also be summarized, and a few retained as samples of information as well as format. Documents relating to individuals should be forwarded to an extension file of filed separately in anticipation of moving it to an extension file.

Payment

Agree on a fee, advertise it and expect payment in by the predetermined due date. Assign one person for the collection and follow-up of the fees. Other private training institutions do, and effective and serious collection of fees is one of several important steps in BMEP's development of a more professional attitude and image. If the course is subsidized, a strategy should be discussed to present the case to the public. For example, advertise the course at full price, and state that partial scholarships may be available, or advertise STRIDE or another institution is subsidizing -- it may add credibility to the training. A consumer might be confused that the same course was E450 in March, E225 in May and E450 in August.

It alternatively may be suggested that course applicants actively seek scholarships (again, calling them "scholarships" and not "subsidies" conveys a subtle business message). BMEP may do itself and its clients a great service by establishing formal and informal linkages with other projects, government ministries, private companies and others who may be willing to provide scholarships on a regular basis.

Based on the response of the August 1994 group in training and some extension clients interviewed, the fee for the course is "just right". If the course is shortened in days but not in content the fees should remain the same. They are reasonable and with one exception far below the costs of other similar courses being offered.

Management and Development Consulting Associates in Mbabane offers a 5 day/40 hour course - Planning to Start your Own Business?- for E450, and a 12 day Improve your Business Course for E1,080. Other comparable courses are offered by Mbabane firms ranging from E250 to E295 per day. Lwati offers 35 hours over 5 days for E1,365.

Evaluation

Formative and summary evaluations of the courses should continue to be conducted, recorded, reported and responded to, as is presently the case. The staff evaluation system, both the written instrument and the "post mortem meeting", are also excellent ways to receive training input. A close watch needs be kept on the market to ensure the service continues to meet the target.

b. Part Time Training

Name

These are specific training modules of varying lengths, and can be derived from the modules comprising the Business Fundamentals Course. They focus on one or two business concepts. They should be referred to by content, not part time or Saturday (i.e. it is a 4 hour training session on Practical Marketing for beginners).

Somewhat similar to the way in which the Business Fundamentals Course may be modified for start-up and existing enterprises, the training modules may be differentiated along beginner, intermediate and advanced levels. BMEP should have enough knowledge from dealing with its previous training and extension clients to be able to identify which topics and issues are more advanced than others. In addition, BMEP has performed enough needs assessments and has an adequate knowledge of the market to ascertain which applicants should go into which training module level.

Product Development

In line with the modular development of the components of the Business Fundamentals Course, other modules should be continuously developed to meet market needs. Initially sessions should be designed, in their completeness, which BMEP knows from its experience are "good sellers". There should be no need to redo any of the components from the Business Fundamentals course set; they should be ready to use as is. Four and eight hour sessions can be designed in Practical Marketing, Taxation, Business Registration, Advanced/Refresher Record Keeping. Session titles should reflect their content, not when/how offered.

Schedule

Again, a joint comprehensive yearly schedule should be developed and courses scheduled as the market will handle. Granted, as this is a new product line, some experimentation will be necessary.

Marketing

BMEP should be aggressive and methodic in its marketing efforts. Risks will be taken in efforts to refine product content and delivery. Advertise and get the word out as to what is offered and when. BMEP should make consistent efforts to meet its market. It has been repeatedly reported that clients desired Saturday and/or evening training. The recently offered Saturday training was well attended and yet it took two years for this training to get off the ground, and has not been offered since. Immediate follow-up to course attendees is a relatively easy route to access potential clients, who may feel they need a little extra support once they have first tried to apply some of the lessons from the Business Fundamentals Course.

Fees

Refer to similar comments as for the FTP with respect to advertising, payment, and subsidizing. The present training group surveyed stated that they would be willing to pay between E20 and E150 for a Saturday course. This rate is still far below other training institutions. Since these institutions are not targeting the same market as BMEP, an argument can be made that a fee of E100 will represent a market that is not being served and can be served by BMEP.

For reference, a two day course in customer service for telephonists/receptions at Executive Portfolio Consultancy is E400. Any one day program offered by Lwati is E295, a two day program is E575. A

participant day at Maseko management Services is E250 including meals, hand-outs and certificate. Fifteen hours of data base training at PC-Soft is E350.

Staffing

The coordination and implementation is directly a training responsibility. As needed, other staff members may be called upon to provide technical expertise. Some resistance to working on Saturdays might be expected. In discussions with three officers, all stated that they would be willing to work on some known Saturdays in exchange for days off during the week. They felt that the time off was of greater incentive than (the relatively small) cash payment for overtime. A policy of overtime should be developed, agreed upon and institutionalized, prior to staff members beginning work.

c. Contract Training

This category refers to all other training programs in which BMEP involves itself. It is the paid work BMEP carries out for other organizations on a contractual basis. BMEP has become successful in this area and efforts should be concentrated to nurture this type of work. It frequently requires training to be delivered to a preexisting group of people. Recent examples are the retrenchment training of the Central Bank employees, jointly funded by STRIDE and the Central Bank, and the rural training for Women's Income Generating Groups funded by UNDP. Often the clients request similar products to those already in use at BMEP, and it is recommended that BMEP remain within its product line when pursuing new clients. It is also recommended that BMEP not enter the time consuming business of identifying multiple rural groups, but that it continue to work with agencies who are currently working with preexisting groups.

Content

Training modules need to be developed in at least the following areas: empowerment, group theory and organization, leadership and income generating activity planning. This is again the training department's responsibility. Materials may have to be collected from outside the organization for these topics. Other topics should overlap with those already/currently being used and developed for the Business Fundamentals Course. Once again the creation of these modules will be a time consuming front end activity. In the long run having pre developed modules will allow for quick response to training requests from the market.

Sourcing

Identify targets, find out which groups get money/grants and why. Work backwards. Identify the donors, who is giving the money and for what. Establish relations with both ends and position yourself.

Costing

This must be realistic, planned and methodic. It should be profit driven (not kindness or based on old non profitable prices). Skeleton course proposal and budget estimate forms can be developed to aid in quick response to training requests and in maintaining consistency in the budget proposal. A primary staff contact should be appointed to be responsible for proposal development. A turnaround time should be established and adhered to. Who decides to accept/reject a request for training and what are the criteria for either decision are all issues that must be established up front. There will come a time when a request may be out of the area of expertise of BMEP or for a time when resources are previously committed. BMEP should know who is making such decisions.

Staffing

This is a training department responsibility, with involvement of other staff as required to meet the client's needs. The training team might need to decide if they will delegate responsibilities (in/out of house) or rotate these.

2. Business Advisory and Consulting

Organization

Several options for restructuring BMEP were presented in the previous section. Some of those suggestions focussed on board and management, while others touched the staff as well. The Extension Services department is part of that plan. It is suggested that Extension Services be renamed to reflect the true nature

of the service provided. It is also felt that "extension" carries some associated stereotypes which conflict with the intended service -- namely, a free, government service in agriculture and/or home economics. BMEP provides technical assistance to Swazis aspiring to or involved in micro and small business activities.

The Evaluation Team suggests that EOs become BDOs -- Business Development Officers and that Extension Services become Business Advisory and Consulting. The BDOs will have two primary functions. One will be to provide Business Advisory Services to those interested either in the field or in the office. This is very similar to the existing extension program. The second function is to provide Consulting Services to individuals requesting a one time service.

It is also recommended that the BDOs concentrate their efforts on advising and consulting and provide training as a secondary responsibility. It is suggested that the BDOs not be involved in the coordination of training activities nor in the direct design of the training modules. While all BDOs must achieve and maintain a solid knowledge of all basic business issues, the officers are also recommended to each pursue an area of interest/expertise and in effect become an "expert" in that technical area. The officers should be able to routinely call on each other for technical assistance. They should no longer be responsible for identifying advisory clients to be the sole recipients of a Modular Course (aka PTT).

Significant efficiency may be realized by realigning client responsibilities along geographic lines. Especially if BMEP moves beyond the 30 km barrier, it will become more important to prudently schedule BDO time and use of company vehicles. Combined with a possible geographic redistribution, BMEP may want to consider publishing office hours, when clients know that at least one BDO will be in the office. Such an approach will facilitate handling of consulting clients (more below), and limit the cost to BMEP of reaching more clients.

It seems fairly common for most of BMEP's current and prospective clients to come into the Manzini area periodically throughout any given month. If a client knows that a BDO, and in particular the BDO on his account, will be in the office, he or she will likely schedule a trip to BMEP. With the uncertainty of transport that many suffer, it would be a great benefit to know that on a particular day during specific hours someone definitely will be there to help them.

Another way that BDOs and Training Officers could help to generate more revenues and more efficiently reach more clients would be to explicitly package the Business Fundamentals Course with a number (say 5) of 'free' Business Advisory sessions. The combined package price would be something less than a client buying the services separately, but there seems to be a number of people who would take up this offer if explicitly offered, who may otherwise walk away after the training course.

BMEP BDOs also went through a staff utilization exercise, similar to the one done with the training staff. Assuming there will be 4 BDOs, there will be approximately 880 person-days per year to provide Business Advisory and Consulting services. The new plan reflects moving this unit from 364 billed days of work in 1995 to 482 in 1997. There is room for further productivity, but this represents a good start.

a. Business Advisory Services aka Extension Services

Clients

A drastic change from the present client profile is not recommended. The present profile appears to suit the organization well. It is suggested that the services be extended beyond the present 30km range and that PAYING clients be retained.

Service

Presently the BDOs are providing one on one technical assistance mainly in the areas of record keeping, pricing and costing, cash flow planning and marketing. They are knowledgeable of the extension process. The client identification and intake system works well. They require clients to produce their own work -- that is, the officers are not doing the records/marketing/costing for the clients. This should be continued. They show promise in their advisory abilities.

It was much harder to gauge the utilization rate of the BDOs for two reasons. First, during the period of the Evaluation Team's in-country review, the BDOs were heavily involved in the ongoing FTP, and not their primary duties of extension. Second, records and comments are conflicting and often confusing. BDOs do seem to have 20 people in each of their respective portfolios, but it seems highly unlikely that all of these clients are seen during a given month; and there are no statistics kept in regard to walk-in clients. However, it is probably safe to say that the BDOs can be significantly more productive, based upon observation, fitting together the available written data and comments from BDOs themselves.

An area that may need attention is when and how to sever a client relationship. It may be a useful exercise for the staff to develop a list of indicators/qualities that may signal a change in relations is necessary. The client who is not "cooperating" with the BDO may be easier to identify than one who has simply outgrown the service, but both should be examined.

For example, what do you do the first time a client misses an appointment or fails to complete the previous "assignment"? Do they pay? Do you leave a verbal message or a written message? And how many meetings or assignments can be missed before the BDO decides to deactivate the client? If a plan is made ahead of time these decisions become easier to make. It will reinforce the business like atmosphere needed to continue the program. It may even help ease regretful feelings, providing some objectivity and removing the personality from the decision.

The same type of activity can be applied to clients who may have outgrown the service. Some questions one might ask: What has been the growth rate? Who are their employees? And lastly, can I (the BDO) answer the clients questions with confidence? When the decision is made to "promote" a client, BMEP should also have a plan of how and where to promote the client. BMEP should develop a list of potential referral people and institutions now, so that they are more readily prepared to meet these types of situations as they arise.

Client files are used and kept up to date. Records of each visit are kept which include assignments given and a next step action plan. Pertinent client documents (registration, license, bank account) are also filed.

The client data base is presently not being used as it could be. It is highly recommended that immediate attention be given to maintaining an up to date client data base. Monthly reports could be easily extracted eliminating the present manual cumbersome 5 page document.

Fees

One of the first tasks for the BDOs will be to implement the fee for Business Advisory Services. Every one of the clients spoken to values the service and was willing to pay for it. It is not time to be shy. Determine rates, how you will collect the fees, when you will charge. You should give your clients notice. Clients might appreciate a written note explaining the changes in BMEP and how it affects them. This note could be drafted by the BDOs and prepared on letterhead. It should be signed by the Director and sent to all existing clients.

Monitoring System

The department needs to develop a monitoring system. Now that the external requirements will be removed, the organization should focus on quality of service and impact of service and not solely on number of clients contacted. There were numerous resources in the office which can offer suggestions of methods, content and frequency. The ILO materials and the PACT Monitoring and Evaluating Small Business projects should be reviewed by the Director, the Programs Manager and the BDOs. Together a monitoring system should be developed. It should be comprehensive in the methods, approach, frequency and reporting requirements. Plans to tie it to the overall evaluation system should also be included.

Either through simple codes or short comments, the client information system (CIS) could measure important changes in client impact such as: improved self confidence; increased participation in community activities; access to other non business information including agriculture, health, education; better skills in record keeping, planning, organization; and increases income and employment. These data will be useful

in determining what approaches and which types of clients seem to be the best or improving. They help in presenting a clear and defensible case to donors.

Furthermore, better use of the CIS will lead to better internal management. BDO job descriptions and scopes of work can be more clearly and succinctly defined and monitored. From this more meaningful and complete evaluations can be given. Motivational charts of progress can be created and staff will be identified for training and praise or corrective action, if necessary. In essence, the CIS is a valuable tool to set standards and give feedback.

b. Consulting Services aka "Quick Fixes"

These are services provided to clients who do not have nor wish to have an ongoing relationship with BMEP. They are usually for specific document development such as a business plan, a tax packet, a cash flow analysis. BMEP has been providing these services to some degree over the past years. It has not publicized this service nor has it maintained diligent records on the provision of this service. BMEP has erratically charged for these services, and when they have, the fees have ranged from E100 to E200.

These services should be continued. They are viewed as a potential source of income for a service that BMEP can easily provide.

Product

Identify what you can and will provide on a regular basis. The BDOs can each develop specific "documents" that they feel confident in producing and gather the technical resources needed to support their efforts. Research can be carried out to ensure the BDOs are using the latest forms/formats and are knowledgeable of referral institutions. Sufficient supplies/information should always be available in the office and with the officer. A system for each "product" should be developed, checklists made for process and materials/information needed and a fee schedule should be predetermined. Fees should be considered for both one time clients as well as perhaps reduced rates for existing advisory clients.

Market

Get the word out in the brochure, word of mouth, in print, on radio, near tax time, or any pertinent cyclic period. No one knows that BMEP provides this service. The fees as presently set are very reasonable and extremely competitive. The service is portable so the BDOs can take it on the road with them.

Staff Development

This report makes two specific requests for (short term) staff development. One is computer training in Dbase IV. This training is planned to be conducted by Dominic at PC-Soft and will take place at BMEP on the actual existing system. Perhaps this was not explicitly requested, as were some other needs, but it is important nonetheless and will facilitate the information flow and ease the monitoring and reporting process. The other course covers the role of the consultant in small business development. It is being offered at the University of Witwatersrand on 18-19 October 1994.

It will remain the role of the staff to continue to identify training needs, training providers and to a certain extent training sponsorships. Staff is encouraged to be very resourceful in their efforts. For some technical content, specialists exist in Swaziland, and sometimes individuals can be persuaded to spend time with an NGO on a gratis basis. Also regional centers should be explored before extensive overseas courses are brought forth.

D. Summary of Market Review and Recommendations

BMEP has a very good core of product offerings in training and business advisory and consulting services. They have found a niche in the market that is clearly above income generating activity, but usually slightly less sophisticated and established than other small businesses. Clients have limited formal education and little if any business experience or training. BMEP is well regarded by clients, donors, the government and other organizations in Swaziland for its ability to provide a unique and quality service to a distinct group.

Furthermore, it has been shown that BMEP's approach does have a measurable and positive impact on its clients in terms of increasing business income or profits and improving marketing, bookkeeping and other skills necessary in running a successful enterprise.

The Evaluation Team has made several suggestions to enhance both main services. Adopting a modular model approach will improve the salability of the products and should lead to better utilization and efficiency of the staff. Changing the names of the courses and slightly modifying content to cater more adequately for differences in business knowledge among new and existing entrepreneurs should yield benefits to clients and BMEP. Also, BMEP can capitalize upon its reputation in a profitable way by emphasizing contract training, which is delivered to individuals that fit the general client profile but who are reached through institutions that are willing to pay BMEP full costs for the service.

BMEP will have to firmly establish policies and procedures for charging clients for services. So far, the practice has been haphazard and sometimes non-existent, but this will have to change, if BMEP is to generate any meaningful level of internally generated income. In addition, Training Officers and Business Development Officers are aware that they must raise their utilization rates well above the levels to which they have become accustomed under the USAID grant. These latter two recommendations are key elements of BMEP building its organizational independence and cementing itself within the market.

The credit program has not achieved the size or performance envisioned, nor has it really met any market demand or acted as a convenient lesson tool. Improving the credit scheme would require a great deal of time and effort, which the Evaluation Team strongly believes can be better spent elsewhere in the organization's real areas of comparative advantage. Lastly, the market picture of BMEP is as a training and business advisory organization, not as a credit provider. Thus it has been recommended that the credit program be phased out immediately and that concurrent provisions be made to create backward and forward referrals to serve people who may need credit and effectively utilize BMEP's strengths in training, business advisory and consulting.

SECTION 4 - FINANCIAL SUSTAINABILITY

A. Introduction

Improvements in organizational and market aspects of BMEP will definitely strengthen the organization and make it attractive to clients and donors. However, it is clear that financial sustainability will have to derive from a mix of internal and external funds.

The desire to meet the needs of low income communities with business training services and the need to uphold the social standards of BMEP's mission mean that fee revenue will never wholly sustain BMEP. Thus financial sustainability will be reached through the combined ability to raise donor funds and effectively charge clients what they can bear.

Financial sustainability can be defined as:

A condition of reasonable financial security where the core programs of the organization are funded from reliable and predictable sources of support such as generated revenue, an endowment, multi-year donor commitments or a flow of funds from a solid group of long term supporters. The income flow should be sufficiently predictable so that the **organization can confidently engage in multi year budget planning.**

The key word in this definition is "reasonable". Rarely are not-for-profit organizations completely free of financial risk; and this luxury, when it does exist, can be undesirable if it buffers the organization from the needs and changing characteristics of its client base.

An organization is generally **not** financially sustainable if:

- o It is dependent on funds raised **during** the budget or operational year ("hand to mouth") or if it is dependent on donor commitments that could be capriciously terminated or withdrawn;
- o It is unable to engage in multi-year financial planning because of the unpredictable nature of donor support;
- o It is required to significantly and frequently alter its program content in order to appeal to donors and access necessary financial support.

For most not-for-profit organizations, **financial sustainability** has these additional characteristics or attributes:

- o **A diversified funding base** so that withdrawal of a major donor or single source of support does not seriously jeopardize the central activities of the organization;
- o **An ongoing program of financial strengthening** that cultivates new sources of support to replace inevitable drop-outs;
- o A capacity to make **strategic programmatic adjustments** to reflect the changing interests of the market that is supporting that organization;
- o **An understanding of the fund raising function**, meaning a broad understanding within the organization of the role and importance of fund raising and an appreciation of the line between fund raising and program design. Fund raising can often be perceived as being at odds with the goals and values of the organization because it diverts staff time and puts the raising of money ahead of serving the client.

There is a vast literature on fund raising strategy, on how to approach potential donors and on what works and what doesn't work. While these warrant attention, there are a few reasonably straightforward fund raising principles that BMEP should consider as it approaches the design of its fund raising program.

Cultivate a relationship. Fund raising is a long term process of cultivating a relationship. Effective fund raising focuses first on the mutuality of interest and on developing an understanding of the goals and programs of the organization. The contribution of funds is derivative of that relationship.

Sharpen the message. Effective fund raising is very dependent on the capacity of an organization to articulate a clear, focused and compelling story of what it does and why it is important. Organizations with complex programs and multiple goals have difficulty relating to potential donors.

Know the donor. Effective fund raising is correlated with the ability of an organization to understand the donor's primary interests and to package proposals that will correspond with these interests.

Manage for the long haul and anticipate the administrative burden. Fund raising is time consuming, sometimes frustrating and frequently unsuccessful. It often requires the direct time and attention of the Executive Director and can divert staff from more important responsibilities. Fund raising involves considerable paperwork, lots of background research, careful filing and attention to such critical details as the preparation of thank you letters.

B. Alternative Funding Sources

It is essential for BMEP to develop its own marketing strategy and to work through a prioritization of potential funding sources. These are critical strategic decisions and it is important for the staff and the board to have full "ownership" of them. However, the Evaluation Team has been asked to review alternative funding sources and to provide the preliminary outlines of a marketing strategy. The following comments are intended to suggest areas of emphasis for BMEP consideration:

- a. **Internally Generated Revenue.** The Evaluation Team believes that revenue generated from charging fees for services offers the largest potential source of expandable income over the long term. There is an important government and private sector market for BMEP training services as well as opportunities to increase income flow from core training and extension activities discussed elsewhere in this report. BMEP already generates significant funds from contracted services and several respondents indicated that there was a demand for BMEP support in this area. The issue for BMEP is not whether these potential income sources can be tapped, but whether and to what extent BMEP wishes to aggressively cultivate this market and orient its program to this particular clientele. This is a fundamental issue of strategic direction that must be addressed by the BMEP board. It is a difficult issue because it touches upon basic differences and emphasis and approach discussed in Section 2.

The advantage of serving government clients and the established private business sector is that BMEP can generate a threshold of income which can be used to support programs for those individuals that cannot cover full cost. The danger is that BMEP will deviate from its primary mission, which is to reach and empower emerging informal sector entrepreneurs. One way of addressing this dilemma is to establish a self imposed limit on fee for service work to safeguard resources for programs with a predominant social purpose. Long range strategic planning is one process that is available for getting these issues and trade off out on the table and dealing with them in a systematic manner.

- b. **Bilateral donors.** BMEP has established relations with the Canadian International Development Agency (CIDA) and the EEC. Both are interested in and have active programs in micro and small enterprise development. USAID is obviously an important

long term source of potential support. USAID funding can come from a bilateral mission as is currently the case, a regional program or from a centrally funded source. USAID priorities are changing with increasing emphasis on working with and through indigenous non-governmental organizations. While prospects for continuation of a direct bilateral program in Swaziland are not promising, a regional presence is likely. USAID's centrally funded program is aimed primarily at supporting American organizations, but many of these have collaborative relationships with local groups. Microenterprise is an important priority of the centrally funded matching grant program.

In considering the relative merits of bilateral donor support, it is important that BMEP and its board address the larger policy questions inherent in receiving aid from an official government source. This includes questions of dependency, public image and relations, the imposition of policy control and direction and the creation of special accounting and reporting systems keyed to a donor's particular need. To suggest that BMEP consider these concerns is not to imply that bilateral government support should be ignored or neglected. However, it is important that BMEP be aware of and think through the policy implications associated with association with different types of funding sources. An organization that generates its own revenue is likely to be quite different in style and operation from one that depends on the largesse of government donors. Some private voluntary groups establish a limit on the share of funds they are willing to accept from government sources; others decline to accept any funds whatsoever.

- c. **U.S. Private Voluntary Organizations and South African Non-governmental Organizations (NGOs).** The Evaluation Team believes that BMEP should explore the possibility of a collaborative relationship with either an indigenous southern Africa organization or with an overseas PVO. While it is unlikely that either group would be interested in making direct cash contributions to BMEP (since their own resources are scarce) there are significant opportunities for relationships that would involve the transfer of institutional and human resources. These could range from the simple exchange of information to the provision of technical advice to access to training facilities and instruction in fund raising and board development and, finally, to real partnership linkages that would provide access to US funding. American PVOs have given considerable rhetorical attention to the importance of mentoring relationships with indigenous organizations to replace their diminishing direct operational role; and a relationship with BMEP could offer an excellent mechanism for putting that intent into practice.

Indigenous South African NGOs, particularly those funded through USAID, offer similar possibilities for collaboration. There are also USAID funded American PVOs operating in South Africa (such as PACT) that could be encouraged to work with a Swazi based NGO. (Details are provided in Appendix B.)

- d. **Private Corporations in Swaziland.** Corporate philanthropy is not deeply ingrained in the Swazi culture and significant corporate contributions in the near term are unlikely. However, corporate interest in the work of BMEP seems logical and the issue should be pursued through local fora, such as the NGO affiliation to which BMEP now belongs or Tibiyo.
- e. **Foundations.** The Ford Foundation has an office in South Africa and BMEP should begin to cultivate a relationship. While Swaziland is not currently a high priority for Ford, it is possible that this will change and an advisory relationship could lead to linkages with other interested private sector donors.
- f. **Multilateral donors.** The United Nations Development Program (UNDP) and the World Bank both have microenterprise programs. BMEP has received a small grant from the UNDP related to its interest in promoting a strong voluntary sector. The UNDP's

programs are operated out of its offices in South Africa. Funding priorities can be obtained from that source. The World Bank is currently developing new policy guidelines with regard to micro and small enterprise development. World Bank programs are on a government to government basis.

C. The USAID Grant

From a financial perspective it would be impractical to expect an organization that has depended on one source for 75% or more of its revenue to survive the abrupt halt in that stream of money. The Evaluation Team recognizes the limitations on USAID's capacity to attenuate the current grant. Because of the importance of linking this final grant to a phased process of institutional strengthening, it encourages USAID to explore all feasible mechanisms to accomplish the objective of encouraging BMEP's long-term sustainability.

It is estimated that, because of a favorable exchange rate, there will be approximately E480,000 remaining in the grant for BMEP at the November 1994 end of the current contract. The Evaluation Team is strongly suggesting that USAID / Swaziland work within its organization and with BMEP to find a way to extend the period over which USAID provides the remaining grant funds available to BMEP.

We would propose that USAID disburse part of that money (i.e. two-thirds) in 1995 and the remainder in 1996. Based upon an analysis of BMEP's current expenditure and the stream of other revenue already flowing into the organization, two-thirds, or approximately E320,000 should be sufficient to support BMEP's remaining operations for one year. Disbursement in 1995 may be done quarterly, monthly or at some other agreeable interval to give USAID comfort that BMEP's commitment to sustainability is being honored and to establish firm incentives for BMEP. The release of the money in 1995 and 1996 could be tied to specific targets for internally generated revenue or staff utilization, for example. In addition, disbursement of the funds during 1995 could be related to BMEP undertaking and completing certain processes, such as the board training and the strategic plan.

USAID may release the 1996 funds in a lump sum by or before March 1996 to allow ample time to finalize the administrative and procedural details, prior to the mission's closing later in the year. This process may require some adjustment in the current rules governing disbursement, which are normally released based upon invoices. It may be possible to link the final disbursement to the establishment of an endowment fund, particularly if BMEP has retained enough earnings and generated a sufficient income stream to cover recurrent monthly expenses for the remainder of 1996. Furthermore, other benefactors may be enticed to supplement the endowment fund, if USAID takes the initiative to deposit the seed capital.

D. Highlights of the Financial Plan

Assumptions

The financial plan (included as Appendix F) generally assumes the status quo on the expense side. We have assumed no additions to or subtractions from current staffing levels. Although, as is indicated in a few points in this report, staff assignments may shift. Except in a few cases where the first half of 1994 saw unusual activity or where projections can be more precise, the 1994 forecast figures were derived by doubling the numbers as of 30 June 1994.

Staff salaries are projected to rise by 15% per year (approximately the current rate of inflation). Most other expenses are computed to rise by 10% per year from the 1994 forecast base, with the following exceptions:

- o Medical insurance is, by contract, slated to rise at 18% per year;
- o Fuel rises by 10% every year after 1995, but is increased by approximately 19% from 1994 to 1995 to reflect BMEP's potentially more active marketing and client outreach and more aggressive servicing of clients beyond the current 30 km radius;

- o Interest expense declines to E0 by 1996, in anticipation of phasing out the credit program;
- o Printing and reproduction expenses rise by 44% from 1994 to 1995 to account for a more active marketing campaign;
- o For the same reason, travel expenses are budgeted to rise 42% between 1994 and 1995;
- o In 1995, BMEP foresees having to replace one computer and upgrade two others at a cost of E20,000, which is reflected on the "Computers" line under Office Equipment;
- o In 1995, BMEP will need to replace two of its bakkies for an estimated E90,000 and add one car in 1996 at a price of E45,000.

All service rates in the revenue portion of the projections are set to rise by 10% each year. Since BMEP has had very little experience actually charging anyone for their services, it is likely that some experimentation will be necessary before a true price list can be developed.

Incentives

Staff expressed interest in and seem prone to respond to monetary incentives. Incentives instill a more business like attitude and help to create a more performance based atmosphere.

We have proposed using a fixed amount of E5 per client or trainee or course to avoid putting too much pressure on finding the best heeled clients and thus moving too far away from target market. However, for each client that pays, that E5 will be netted out against non-payers to encourage dropping non-payers. The absolute penalty would be zero bonus, not a deduction from pay.

The Evaluation Team also has suggested the creation of a staff incentive pool in recognition of the symbiotic relationship between training and business advisory and consulting. It is proposed at 1% of total internally generated income.

These are simply suggestions. BMEP staff, management and board will have to decide among themselves how the bonuses are distributed, whether the suggested rates are fair, how they will be accounted for, etc. However, the Evaluation Team would suggest that BMEP adopt some form of incentive scheme for its staff, whatever its design.

General Comments

Currently, BMEP primarily uses a chart of accounts format that has served its relationship with USAID. Although most of that structure was suitable, there were aggregations and requirements that did not support BMEP's need to manage itself as an independent entity. The Evaluation Team worked with the Finance Manager during the on-site evaluation to establish a revised list of revenue and expense line items.

It is a question in the mind of BMEP management and the Evaluation Team whether the organization and its staff are deriving a reasonable benefit out of a very expensive medical insurance plan. This line item nearly doubles in four years and represents the single largest recurring expense, other than salaries. BMEP should try to renegotiate or find another provider at less cost.

The expense forecast projects the acquisition of the computer equipment, the two replacement bakkies and the additional car as capital expenses. It may be possible for BMEP to find once-off grants to pay for these items, since they could be fully justified in the context of improving BMEP's sustainability and because a donor could readily identify the contribution. However, in the absence of a donor, it may be necessary to defer these purchases or obtain them via hire / purchase, either of which would have programmatic and financial implications.

As of now, BMEP's Finance Manager undertakes independent consulting assignments, doing bookkeeping and auditing as well as some general management consulting for medium and large sized Swazi businesses. He performs the work generally in the off-hours, and he and BMEP have a revenue sharing agreement. Right now the arrangement works smoothly and is bringing in a handsome sum of money to BMEP's coffers. However, the Evaluation Team is firmly recommending that this activity be curtailed and phased out fully in 1995. Aside from the organizational and administrative conflicts the practice could have, it will be imperative for BMEP's management team to coalesce and assume greater levels of responsibility to take on the many challenges facing BMEP in the Transition Period and beyond. The Finance Manager's time and attention must be fully focussed on those duties.

BMEP has the capacity and experience to ascertain the costs of its various services and products within a reasonable degree of accuracy. The concepts of overhead and loaded rates are understood. As BMEP moves forward in restructuring and tuning its services, as well as identifying areas appropriate for donor funding, the ability to cost services and identify internal subsidies and shortfalls will be very important.

Note that the revenue and net income forecast includes a World Bank grant. This has not actually materialized, but there do seem to be preliminary indications that BMEP may be able to receive a significant and sustainable sum of money from the World Bank. Yet the importance of this line item really lies in the evidence it gives to the need for BMEP to relatively quickly find about E125,000 to E200,000 for each of the next two years to carry the organization through the Transition Period and replace the USAID grant, at least in part.

Prospects do seem bright for BMEP to win contracts with other government ministries, which could significantly increase the revenue gained from its comparatively more cost-competitive wholesale product of contract training. Business Advisory Services fees are set low, but several client interviewees indicated that they would pay up to E50 or E60 per visit by a BDO. This market and service seems to experience significant price elasticity and sensitivity and thus will require a lot of price testing.

By 1997, the first full year after having gone through the Transition Period, the financial model reveals that BMEP could support a little over 50% of its recurring expenses out of internally generated income. Keeping in mind that overall recurring expenses are scheduled to rise approximately at the rate of inflation and that staff utilization and productivity are markedly improved by 1997, it would seem reasonable to expect that BMEP will be very hard pressed to not require a long-term subsidy of not less than 40% to 45% of its total expenses over the long term.

E. Concluding Remarks

Although BMEP faces a severe challenge in attaining institutional sustainability, the organization starts from a solid base. In the client, donor and government markets it has a good and well-deserved reputation for serving a distinct market segment with quality training, business advisory and consulting services. BMEP has not tested its own capacity to package and sell its services, nor is it entirely clear how the client base will react to a consistent application of a fee for service policy. However, the Evaluation Team is confident that there is ample room to generate a significant long-term stream of fee revenue.

At the same time it is evident that BMEP will still need to rely on outside donor funds to carry out its operations. Fortunately, BMEP is serving a market and in a field that is of keen interest to many donors locally, regionally and internationally. There are ripe opportunities for collaborative efforts through which staff and the program may be improved or which may lead to more funds.

BMEP board, management and staff all have a role to play in setting the organization on a course to institutional sustainability. Increasing board size and sectoral diversity coupled with training and deep involvement in the strategic and marketing planning processes will be a major step forward in achieving organizational sustainability. Staff realignment and further development of some technical skills, along with slight modifications to product content and delivery will need to be supported by a new attitude towards and an active market appeal to clients. These will be vital parts in attaining market sustainability. Financial sustainability, briefly defined as the ability to support ongoing organizational activities over the long term

with a diversified base of reasonably certain income flows, will derive from these other supportive and interrelated elements.

APPENDIX A

Transition Period Gantt Chart

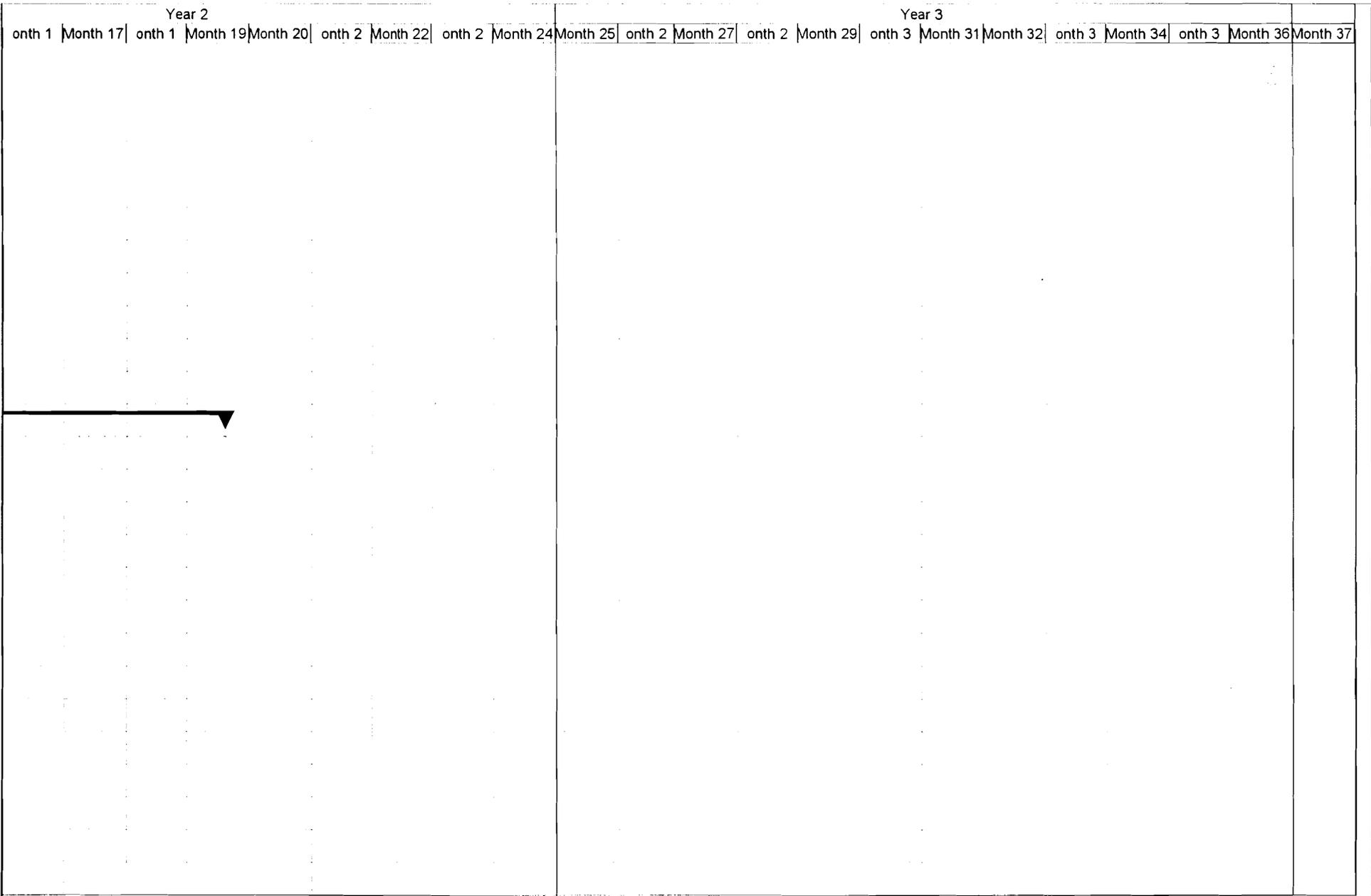
ID	Name	Duration	Year 1														
			Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15
1	1 Strategic Plan	95d	[Summary bar from Month 1 to Month 5]														
2	1.1 Define guiding development phil	3w	[Critical bar in Month 1]														
3	1.2 Define target market	2w	[Critical bar in Month 1]														
4	1.3 Define competitive market	2w	[Critical bar in Month 1]														
5	1.4 Define strengths and weakness	1w	[Critical bar in Month 1]														
6	1.5 Assess internal strengths and w	3w	[Critical bar in Month 1]														
7	1.6 Assess market position and con	3w	[Critical bar in Month 1]														
8	1.7 Define purpose and mission	2w	[Critical bar in Month 1]														
9	1.8 Write case statement	3w	[Critical bar in Month 1]														
10	1.9 Package the BMEP story	3w	[Critical bar in Month 1]														
11																	
12	2 Marketing Plan	390d	[Summary bar from Month 1 to Month 15]														
13	2.1 Restructure management	4w	[Critical bar in Month 1]														
14	2.2 Design new systems/procedure	6w	[Critical bar in Month 1]														
15	2.3 Implement new systems/proced	8w	[Critical bar in Month 1]														
16	2.4 Launch name change campaigr	4w	[Critical bar in Month 1]														
17	2.5 Implement name change	4w	[Critical bar in Month 1]														
18	2.6 Research / admin for fund raisir	2w	[Critical bar in Month 1]														
19	2.7 Cultivation, contact and follow u	2w	[Critical bar in Month 1]														
20	2.8 Distribute board responsibilities	2w	[Critical bar in Month 1]														
21	2.9 Set internal revenue targets	2w	[Critical bar in Month 1]														
22	2.10 Set external revenue targets	2w	[Critical bar in Month 1]														
23	2.11 Identify income sources	6w	[Critical bar in Month 1]														
24	2.12 Prioritize income sources	1w	[Critical bar in Month 1]														
25	2.13 Set income targets by donor	1w	[Critical bar in Month 1]														
26	2.14 Collect donor profile informatio	12w	[Critical bar in Month 1]														

Project: BMEP Transition
Date: 26/8/94

Critical  Progress  Summary 
 Noncritical  Milestone  Rolled Up 

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7



Project: BMEP Transition
Date: 26/8/94

Critical 
Noncritical 

Progress 
Milestone 

Summary 
Rolled Up 

3 15

Year 2										Year 3											
onth 1	Month 17	onth 1	Month 19	Month 20	onth 2	Month 22	onth 2	Month 24	Month 25	onth 2	Month 27	onth 2	Month 29	onth 3	Month 31	Month 32	onth 3	Month 34	onth 3	Month 36	Month 37

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Project: BMEP Transition Date: 26/8/94	Critical		Progress		Summary	
	Noncritical		Milestone		Rolled Up	

bc

APPENDIX B

New Sources of Support to BMEP

APPENDIX B

New Sources of Support to BMEP

As discussed in the body of the report, BMEP will need to identify and develop additional sources of financial support to offset the decline and eventual termination of support from USAID. The financial projections and assumptions underlying those projections indicate that BMEP will have to generate approximately \$40,000 in 1995 and 1996 increasing to roughly \$115,000 in 1997. These are very rough forecasts and they need to be carefully reviewed and validated by BMEP and adjusted to reflect several key strategic decisions that BMEP and its board will have to grapple with during the transition. However, they provide a reference point for the type of fund raising effort that BMEP should consider .

The amounts are not large and would not appear to justify employment of a full time fund raising professional or staff. Nevertheless, the initiation of a fund raising effort will require a considerable investment of the Director's time and a substantial alteration in the normal flow and routine of work. In addition to the extra time and effort needed for fund raising, the emphasis on the cultivation of new donors requires a shift in style, attitude and approach that can be very difficult for an organization that has not been required to engage in an ongoing fund raising program.

The Evaluation Team has attempted to review the range of prospective funding sources that BMEP might approach. The body of the report includes a brief summary of the pros and cons associated with each source. The BMEP board and Director will need to develop a fund raising strategy and will need to evaluate and prioritize different approaches with respect to BMEP's institutional needs and with regard to the likelihood of success with a particular donor. As suggested in the report, the Evaluation Team believes that BMEP would be well served by considering the possibility of an affiliation with another organization that works in the area of microenterprise and that has had experience in raising funds for that purpose. A collaboration of this nature could quickly access the experience and expertise of an established organization, both with regard to funding sources and with regard to the strategy for designing a fund raising program. The range of collaborative interactions is quite large and could include information sharing, the provision of technical assistance, or the formulation of combined approaches. It could include advice with respect to the role and function of the Board of Directors in a fund raising program and assistance in designing and implementing a program of board development.

Following is a list and brief description of several organizations currently operating or planning to operate in South Africa that might be interested in establishing some type of collaborative relationship with BMEP. This material is provided to illustrate the range and diversity of potential affiliations. The number of private voluntary organizations that are entering South Africa is growing daily and this list represents only a small fraction of those institutions that BMEP might work with. In addition to the list of these organizations, which concentrates primarily on overseas PVOs that have subsidiaries in South Africa, there are a wide variety of indigenous organizations that are of sufficient size and sophistication to justify a collaborative relationship. Many of these organizations are being supported by the USAID Mission in Johannesburg. An obvious caution is that the situation in South Africa is changing with dramatic speed and any list of activities is likely to be out of date shortly after it has been compiled.

As a general caveat, some of these organizations may have little or no interests in working in Swaziland; some may prefer to design and own their own program and approach and be unwilling to accommodate the different views of an organization like BMEP with an approach and track record of its own. Some bring a particular small enterprise model to bear that may be incompatible with BMEP's values and philosophy. Nevertheless in virtually all of these cases, it seems to the Evaluation Team that it would be advisable for BMEP to at a minimum establish a correspondent relationship exchanging studies, evaluations and lessons learned.

Pride Africa

Pride Africa is a non-profit development agency registered in Washington, DC but located in Nairobi. Its major objective is to create a financial and information service network for small scale entrepreneurs. Pride has a credit model, which it designed, and attempts to replicate this credit model in Africa and to create

and support a network of local country Pride affiliates each of which is to become locally incorporated. Pride provides technical assistance and training and helps local affiliates develop linkages with other African organizations that are operating in a similar area. Whether or not a relationship with Pride would be useful would depend on the compatibility of approach to small business development and to the degree that an organization like Pride could complement BMEP's area of competence. Pride is registered with USAID and is therefore eligible to receive funds earmarked for private voluntary organizations.

The Microenterprise Coalition

This is a coalition of organizations that operate in the microenterprise area. The Coalition is a lobbying and information group and does not fund programs or attempt to facilitate relations with NGOs. It currently has 21 members, several of whom operate in Southern Africa. Most of the members are US based organizations, although the Coalition includes the Grameen Bank of Bangladesh. Reference to the Coalition is included because informal affiliation would provide easy access to a number of individuals and organizations working in microenterprise. Further information and access to the mailing list can be obtained from Lawrence Yanovitch at the Foundation for International Community Assistance.

The Small Enterprise Education and Promotion Network (SEEP)

The SEEP network is an association of approximately 30 organizations that operate in the microenterprise area. SEEP publishes a member directory that contains useful summary material on microenterprise programs worldwide. SEEP collects and analyzes data, exchanges information and acts to promote an appreciation and understanding of microenterprise. With the exception of two Canadian organizations, SEEP members are limited to the United States. An informal affiliation with SEEP could be useful to BMEP by providing access to a description of the names and program profiles of US organizations that support microenterprise, as well as information with respect to trends in this area. The latter includes funding trends, country location, beneficiary profiles and some analysis of technical developments and new initiatives and findings. The Directory contains information that could be quite useful to an organization advocating greater attention to microenterprise as a development priority.

Private Agencies Collaborating Together (PACT)

PACT's objective is to strengthen the management and technical capacity of indigenous non-governmental organizations and to build independent sectors in the developing nations. PACT does this by working with partner organizations to identify and implement participatory development programs. PACT has a headquarters in Washington DC and 11 field offices in Asia, Africa and Latin America. PACT provides training and technical assistance and makes direct grants to local organizations. It is thus in a position to both provide skills and fund programs. It is funded almost entirely by USAID. The Director of PACT, Lou Mitchell, has worked in Swaziland and is therefore familiar with the opportunities and challenges facing that country.

PACT has a program in South Africa that is focused on strengthening the organizational effectiveness and technical competence of local NGOs. Specifically, they provide assistance to South African NGOs in the areas of financial management, strategic planning and fund raising. PACT also helps local organizations establish network relations with similar groups around the world. PACT's South Africa program has involved approximately 60 NGOs in the following representative activities: assisting South African women to develop their own NGO to support community programs; connecting NGO leaders from Kenya and the Philippines to South African NGOs to provide advice on the roles and issues they will face when the new government came to power. PACT has recently expanded its program in South Africa to work with NGOs supporting the development of black-owned microenterprise. This effort will work with NGOs to strengthen their organizational capacity and expand their links to organizations inside and outside of South Africa and to establish a resource center.

An informal affiliation with PACT is strongly recommended. Whether this could ultimately lead to a resource transfer is difficult to determine, and this possibility could be constrained by the terms of PACT's matching grant from USAID. However, PACT has considerable accumulated expertise in working with

small and growing local groups in several areas where BMEP will need assistance during the next few years. They are particularly strong in the area of strategic planning and have a first rate resident professional in Johannesburg, Marilyn Richards. PACT is unique in that their mandate is to promote the development of local organizations and they have considerable resources at their command to accomplish this purpose.

InterAction

InterAction is the trade association for American PVOs. Its purpose is to strengthen its individual members, provide a basis for professional consultation, promote international voluntarism in general and set ethical standards of conduct. It is not recommended that BMEP become an InterAction member, which is not feasible in any case, but rather that they take advantage of the information that InterAction can provide with regard to its members and their interests. (A copy of InterAction membership profile will be provided to BMEP by the Evaluation Team.)

Counterpart Foundation, Inc.

Counterpart, located in Washington, DC was also established for the purpose of helping in the creation and support of local non-governmental organizations. Counterpart worked for many years in the South Pacific and has expanded in recent years in an attempt to initiate programs in other developing countries. They have had considerable experience in the former Soviet Union, providing training and technical assistance to the hundreds of emerging NGOs in that area. Counterpart has experience in all areas of institution building including strategic planning, fund raising and financial management.

Counterpart is currently not involved in the southern Africa region, although through the so called VEST initiative (Volunteer Executive Service Team) they are exploring the possibility of initiating programs in South Africa. While they would probably not be interested in a new program solely in Swaziland, it is possible that through coordination between the Swazi and South African missions, that their mandate could be defined to include NGOs in Swaziland. The VEST initiative is of potential interest because it is designed to quickly and efficiently link local organizations with expatriate groups that have the skills, resources and compatibility of operating style that the local organization needs to access in order to improve effectiveness. VEST uses a technique of rapid response teams that it sends to developing countries to share expertise and experience with local groups. Microenterprise is an explicit area of priority and the mobilization of resources is an explicit objective. Results of VEST visits have included: establishment of an institutional data base; accessing project funds; creation of formal and informal partnerships; joint project design; provision of technical assistance. A VEST team is visiting South Africa during October of this year and has been alerted to the nature of what BMEP does and to the general recommendation of the Evaluation Team that BMEP consider some form of affiliation with a local or offshore entity that is operating in a comparable area.

Adventist Development and Relief Agency (ADRA)

ADRA is a large and well regarded American PVO that focuses on community development and also provides emergency assistance. Its development programs are in the areas of education, food production, nutrition and enterprise development. The latter includes training and the design of community revolving funds. ADRA has ten field offices, including an office in Zimbabwe. ADRA's small enterprise program is fairly young. It is funded by a matching grant from USAID. Program approaches include vocational training, village banking, support to cooperatives, and the development of cottage industries.

The Calmeadow Foundation

The Calmeadow Foundation is located in Ontario, Canada. It is a large PVO (\$20 million in lending) with the bulk of its work in the area of enterprise development. Its mission is to support the development of sustainable financial institutions that provide affordable credit to the poor. Program approaches include micro-business start up, establishment of partnerships with local NGOs and institution building. Calmeadow has a partnership relation with the Get Ahead Foundation which is located in Pretoria.

CARE

CARE is well known to BMEP and is included here for purposes of comprehensiveness. About 14% of CARE's total budget is devoted to small enterprise development. Program approaches include business management services, such as small business training and extension and technology services focusing on adaptation and commercialization. CARE has an active evaluation program, and publications from this effort are available from the Small Enterprise Office. CARE has an affiliate in Mbabane, Swaziland. BMEP would be well advised to maintain an informal working relationship with CARE and to routinely access CARE's studies and evaluations dealing with Microenterprise.

Foundation for International Community Assistance (FINCA)

FINCA is medium size PVO that focuses on the establishing revolving loan funds through establishment of village banks with a particular emphasis on working with rural women. FINCA also provides technical and leadership training. They work primarily in Latin America, although they have an affiliate in Uganda. All of FINCA's programs are devoted to small enterprise development. Informational linkages with FINCA possibly could lead to a useful collaborative relationship. Direct funding and assistance with fund raising would not appear to be a strong possibility.

Opportunities International (OI)

OI concentrates on working with local partner NGOs. It employs its own "transformation model" to institutional development and to the growth and maturation of the partners with which it works. OI claims that they have, "nurtured 28 autonomous NGOs working on microenterprise development". OI's program services include credit and training. OI material indicates that, "seeded with Opportunity International funds, a Partner usually reaches financial stability within five years". As partners mature, they often spawn additional partners in their country or region. OI has historically concentrated in Latin America, but is in the process of shifting its emphasis to southern Africa and has, to date, established partnership relations with NGOs in Zimbabwe and Soweto, South Africa. OI is an interesting PVO and BMEP should, at a minimum, contact them and inquire with respect to their growing interest in southern Africa and the availability of studies.

World Education

World Education devotes about one-third of its funds to small enterprise development. Its programs emphasize training for small enterprise extension workers and design of institutional support programs for NGOs operating in this area. World Education is a well regarded PVO with considerable experience. They have worked in Kenya and Mali and plan to initiate new programs in Uganda and South Africa. They could be particularly useful to BMEP through their programs dealing with organizational development including strategic planning, organizational design and proposal development. The fact that they are embarking on a new effort in South Africa may lead to more direct programmatic collaborations.

World Vision

World Vision is a very large multi-purpose PVO with programs in development education, agriculture and natural resource management. Although only about 5% of the program is in the area of enterprise development, this is significant given the overall size of the program. Within this category, World Vision supports the establishment of revolving funds, training and the establishment of local cooperatives. World Vision has a program in South Africa and its promotional material indicates the existence of a program in Swaziland. World Vision publishes a newsletter which BMEP could obtain, and it might be useful to develop an informal communication relationship.

APPENDIX C

***Comparison of Goals and Performance of BMEP in accordance with the 1992
Revised USAID Cooperative Agreement***

APPENDIX C

Comparison of Goals and Performance of BMEP
in accordance with the
1992 Revised USAID Cooperative Agreement

CATEGORY	GOAL	PERFORMANCE
Full Time Training Program (FTP)	4 FTPs reaching 100 people	7 FTPs reaching 104 people (39% female)
Part Time Training Program (PTT)	6 PTTs reaching 90 people	3 PTTs reaching 32 people
Extension Services	Reach 100 clients and maintain portfolio of 20 clients per Extension Officer	Over 100 clients reached and portfolios generally at or near 20 clients
Contract Training	Not anticipated in Agreement	3 contracts reaching over 200 people (mostly rural women's groups)
Loan Program	75 active clients, 10% or lower bad debt ratio	26 active loans, 58% bad debt ratio prior to most recent write off
Cost recovery including: FTP and PTT fees, consulting fees, workshop rent, government subvention	<ul style="list-style-type: none"> - Increase FTP fees and establish PTT fee schedule - Introduce fees for consulting services from September 1993 - Charge competitive rents for workshops and achieve full occupancy - Secure government subvention in 1994 	<ul style="list-style-type: none"> - FTPs fully costed and charged at E450 as of May 1994 - PTTs charged at E100 - Consulting fees only very sporadically charged - Rate established but only approximately half occupancy in latest year - Contract training effectively replacing government subvention
Assess policy issues	Gain membership to national fora for small enterprise policy	Member of NGO grouping and Tibiyo
Organizational management	Review board rotation by-laws and broaden sectoral representation on the board	By-laws reviewed and sectoral diversification still in process
Administrative systems: Financial systems and controls, client management information system, procurement	<ul style="list-style-type: none"> - Develop new financial systems and controls - Create manageable and accessible client data base for reporting and evaluation - Establish USAID approved procurement procedures 	<ul style="list-style-type: none"> - Financial systems and controls devised and implemented and highly competent Financial Manager hired - Client data base installed but poor staff knowledge of how to use it - Procurement done within regulations
Reporting requirements	Keep accurate and timely monthly reports and budgets, detailed work plans, and bi-annual Project Implementation Reports	All reporting requirements met satisfactorily
Coordination with SGBT	Establish monthly meeting schedule between BMEP and SGBT	Only met very sporadically with SGBT, but same policy and coordination objective met through other fora

APPENDIX D

Credit Program Financial Analysis

APPENDIX D

CREDIT PROGRAM FINANCIAL ANALYSIS

	QUANTITY	RATE	AMOUNT
NON-INTEREST EXPENSES			
Credit officer	100.00%	20,380	20,380
Finance manager (20%)	20.00%	39,320	7,864
Accounts clerk (20%)	20.00%	12,420	2,484
Extension officers (25%)	25.00%	61,128	15,282
TOTAL NON-INTEREST EXPENSES			<u>46,010</u>
INTEREST EXPENSE	11.25%	107,500	<u>12,094</u>
TOTAL EXPENSES			<u>58,104</u>
REVENUES			
Interest income	52.00%	96,750	50,310
Fees & penalties		1,000	1,000
TOTAL REVENUES			<u>51,310</u>
NET INCOME			<u>(6,794)</u>

Assumes disbursement of E215,000 over one year with monthly repayments and 10% default.

Note that expenses do not include any management or other overhead costs.

APPENDIX E
BMEP Services Questionnaire

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APPENDIX E

BMEP Services Questionnaire

This survey was conducted among the 15 participants in the Full Time Training Program that was underway during the Evaluation Team's on-site visit. Numbers in brackets, [], indicate number of people responding with the same answer.

1. What has been the most important/valuable part of this training for you so far?

All [4], Business planning [2], Basic records [2], Costing/pricing [2], Goal setting [2], Entrepreneurship [1], Meeting trainers [1], Stock control [1]

1b. Why was it the most important?

Know how to plan [1], Optimism and proper planning = success [1], Planning to be successful [1], Self respect [1], Because I need it to be a businessman [1], What I need to know [1]

2a. What was the least important/valuable part of the course so far?

Nothing [5], Costing and pricing [2], Entrepreneurship [1], Basic records [1], Stock control [1]

2b. Why was that the least important?

I knew it already [2]

3a. Do you think the tuition fee of E450 for this three week course was

Too little - [1], Just right - [9], Too much - [3]

3b. What do you think the best tuition fee for this course should be?

E 500-600 [0], E500 [2], E450 [6], E400 [0], E350 [0], E 300 [2]

4. What kind of follow-up would you like after this course?

4a. Short Course? Yes - [8] No - [5]

What length?

2 days [1], 3 days [2], 4 days [0], 5 days [5]

What subjects?

Basic Records/Cash Flow [5], Accounts [1], Balancing the cash book [1], business planning [1]

How much would you pay for this short course?

3 days - E100 [1], E150 [1]; 5 days - E30 [1], E40 [1], E50 [1], E100 [2]

4b. Saturday Course? Yes [6] No [7]

What Subjects?

Business Planning [2], Stock taking [2], Cash Flow Projections [1]

How much would you pay for this course?

E20 [1], E50 [4], E150 [1]

4c. Extension Visits? Yes [11] No [2]

What would you like the extension officer to help you with during these visits?

General guidance [1], Check basic records [6], General follow up [1], Stock taking [1]

How many times a month would you like to be visited?

Once [3], Twice [3], Three times [1], More than three [4]

How much would you pay for a visit of approximately one hour in length?

Less than E20 [4], E20 [3], E35 [1], E50 [3], E65 [1], More than E65 [1]

5. How did you find out about BMEP?

Friend/relative [4], BMEP extension staff [2], Newspaper [1], Radio [1], A previous student [1], SGBT [1], BMEP visit to SCOT [1]

6. What other services do you think BMEP should provide?

Remove 30kn barrier [1], Use radio to advertise [1], Open up other branches [1], Additional training on record books [1], Help in merchandising [1], Give clients/trainees books [1], Teach clients/trainees competitive strategy [1], Provide clients/trainees with equipment [1]

APPENDIX F

BMEP Financial Plan - FY 1993 to FY 1997

**BMEP EXPENSE FORECAST
FY 1993 TO FY 1997**

APPENDIX F

DATE: 12-Oct-94

	FY 1993	AS OF 30-6-94	FORECAST 1994	FY 1995	FY 1996	FY 1997
PERSONNEL						
Management	119,343	64,666	129,332	148,732	171,042	196,698
Line Staff	87,138	58,866	117,732	135,392	155,701	179,056
Support Staff	28,683	14,910	29,820	34,293	39,437	45,352
Part-time employees	710	520	1,040	1,144	1,258	1,384
BDO Incentive (E5 / client)	0	0	0	0	4,320	5,040
Training Incentive (E5 / trainee)	0	0	0	0	3,240	3,540
Staff Incentive (1% of internal revenue)	0	0	0	0	3,654	4,239
Workmen's compensation insurance	422	328	656	722	794	873
Medical insurance	45,850	25,816	51,632	60,926	71,892	84,833
Provident fund	3,390	1,890	3,780	4,158	4,574	5,031
Pension	12,802	8,000	16,000	17,600	19,360	21,296
TOTAL PERSONNEL	298,338	174,996	349,992	402,966	475,271	547,343
VEHICLE EXPENSES						
Maintenance	6,778	5,643	9,000	9,900	10,890	11,979
Fuel	11,093	6,696	13,392	16,000	17,600	19,360
Insurance	8,862	8,862	8,862	9,748	10,723	11,795
TOTAL VEHICLE	26,733	21,201	31,254	35,648	39,213	43,134
OFFICE OPERATIONS						
Ad hoc technical assistance	8,226	2,634	10,000	11,000	12,100	13,310
Advertising	1,067	3,671	7,342	8,076	8,884	9,772
Auditing fees	15,560	19,000	19,000	21,850	25,128	28,897
Bank charges	217	381	762	838	922	1,014
Cleaning and housekeeping supplies	4,882	2,044	4,088	4,497	4,946	5,441
Contractor services (comp, fire, copy)	8,699	14,785	20,000	22,000	24,200	26,620
Entertainment	1,000	118	1,150	1,265	1,392	1,531
Interest expense	5,751	4,414	8,828	3,375	0	0
Legal fees	840	840	840	924	1,016	1,118
Licenses	1,007	878	1,756	1,932	2,125	2,337
Maintenance (bldg & grounds)	4,541	1,387	6,000	6,600	7,260	7,986
Miscellaneous expenses	7,288	0	0	0	0	0
Office supplies	17,768	15,973	20,000	22,000	24,200	26,620
Postage	60	326	652	717	789	868
Printing & reproduction	7,265	6,046	9,000	13,000	14,300	15,730
Publications and subscriptions	210	50	100	200	220	242
Security	6,840	2,700	5,400	5,940	6,534	7,187
Staff training	2,955	3,304	6,608	7,269	7,996	8,795
Travel (hotel, air, per diem)	5,761	4,232	8,464	12,000	13,200	14,520
TOTAL OFFICE OPERATIONS	99,937	81,943	129,990	143,483	155,211	171,989
OFFICE EQUIPMENT (Purchase or lease)						
Computers		0	0	20,000	0	0
Copy machines		0	0	0	0	0
Furniture	6,411	0	0	0	0	0
Vehicles	80,002	0	0	90,000	45,000	0
TOTAL OFFICE EQUIPMENT	86,413	0	0	110,000	45,000	0
UTILITIES & RENT						
Electricity	4,753	1,891	5,466	6,013	6,614	7,275
Telephone	16,541	12,134	19,000	20,900	22,990	25,289
Water	258	356	712	783	862	948
Rent	16,900	6,000	12,000	13,200	14,520	15,972
TOTAL UTILITIES & RENT	38,452	20,381	37,178	40,896	44,985	49,484
OTHER INSURANCE						
Liability	150	150	150	165	182	200
Burglar	845	845	845	930	1,022	1,125
Money	250	250	250	275	303	333
Glass	100	100	100	110	121	133
Building	1,755	1,755	1,755	1,931	2,124	2,336
TOTAL OTHER INSURANCE	3,100	3,100	3,100	3,410	3,751	4,126
GRAND TOTAL EXPENSES	552,973	301,621	551,514	736,403	763,432	816,076
Percentage change in recurring expenses			20.08%	13.58%	14.69%	13.59%

BMEP REVENUE AND NET INCOME FORECAST
FY 1993 TO FY 1997

APPENDIX F

DATE	12-Oct-94			FY 1995			FY 1996			FY 1997			Quantity Explanations
	FY 1993	AS OF 30-6-94	FORECAST 1994	QUANTITY	RATE	AMOUNT	QUANTITY	RATE	AMOUNT	QUANTITY	RATE	AMOUNT	
INTERNALLY GENERATED INCOME													
CURRENT													
FTP Tuition	20,883	9,870	19,740	45	450	20,250	0	495	0	0	545	0	Person—courses
PPT Tuition	0	0	0	75	100	7,500	0	110	0	0	121	0	Person—days
Extension fees (on-site consultancy)	0	0	0	338	25	8,400	0	28	0	0	30	0	Person—visits per year
Quick fix fees (office consultancy)	76	0	0	60	175	10,500	0	193	0	0	212	0	Person—visits per year
Contract training	12,525	46,230	60,000	50	333	16,650	120	366	43,956	120	403	48,352	Course—days
BMEP loan interest & fees	4,473	4,756	9,512	14,000	52.00%	7,280	0	52.00%	0	0	52.00%	0	Avg. outstanding portfolio per year
Workshop rent	36,871	11,718	23,436	84	550	46,200	84	605	50,820	84	686	55,802	Occupancy—months per year
Consultancy fees	0	8,348	14,000	20	333	6,660	10	366	3,663	0	403	0	Days per year
Interest income	0	0	0	150,000	10.00%	15,000	150,000	10.00%	15,000	150,000	10.00%	15,000	Avg. yearly balance on deposit
Miscellaneous recoveries	13,385	2,226	4,452			10,000			10,000			10,000	NA
NEW													
Introduction to Business Course				120	450	54,000	240	495	118,800	240	545	130,680	Person—courses
Modular Courses				144	100	14,400	288	110	31,680	288	121	34,848	Person—courses
Business Advisory Services				360	25	9,000	720	28	19,800	864	30	26,136	Person—visits per year
Consulting				72	175	12,600	144	193	27,720	144	212	30,492	Client—jobs per year
Group Empowerment Training				50	333	16,650	120	366	43,956	180	403	72,527	Course—days
INTERNALLY GENERATED INCOME	88,213	83,146	131,140	NA	NA	255,080	NA	NA	365,395	NA	NA	423,937	
Year-to-year percentage change			48.68%			94.52%			43.24%			16.02%	
(Percent of Total Expenses)	15.95%	27.57%	23.78%			34.64%			47.86%			51.95%	
EXTERNALLY GENERATED INCOME													
USAID grant	392,597	223,791	447,582			320,000			160,000			0	
UNDP grant	0	6,840	50,000			50,000			57,500			66,125	
World Bank grant (Dollar endowment)	0	0	0			187,500			206,250			226,875	
Other grants	0	0	0			0			0			0	
EXTERNALLY GENERATED INCOME	392,597	230,631	497,582	NA	NA	557,500	NA	NA	423,750	NA	NA	293,000	
(Percent of Total Expenses)	71.00%	76.46%	80.22%			75.71%			55.51%			35.90%	
(External / Internal Ratio)	445.08%	277.38%	379.43%			218.55%			115.97%			69.11%	
GRAND TOTAL INCOME	480,810	313,777	628,722	NA	NA	812,580	NA	NA	789,145	NA	NA	716,937	
GRAND TOTAL EXPENSES (from above)	552,973	301,621	551,514	NA	NA	736,403	NA	NA	783,432	NA	NA	816,076	
NET INCOME	(72,163)	12,156	77,208	NA	NA	76,187	NA	NA	25,713	NA	NA	(99,139)	

ASSUMPTIONS:

FTP: 1995 - 3 courses of 15 people each
PPT: 1995 - 75 people receiving one-day training
Extension: 1995 - 28 clients receiving 2 visits per month for 6 months
Quick fixes: 1995 - 10 people for one-time jobs
Contract training: 1995 - 5 courses of 10 days; 1996 - 12 courses of 10 days; 1997 - 12 courses of 10 days
Workshop rent: 1995 - Full occupancy (7 units for 12 months); 1996 - Same; 1997 - Same
Introduction to Business Course: 1995 - 6 courses of 20 people each; 1996 - 12 courses of 20 people each; 1997 - 12 courses of 20 people each
Modular Courses: 1995 - 12 courses of 12 people each; 1996 - 24 courses of 12 people each; 1997 - 24 courses of 12 people each
Business Advisory Services: 1995 - 4 BDOs visiting 15 clients per month for 6 months; 1996 - 4 BDOs visiting 15 clients per month for 6 months; 1997 - 4 BDOs visiting 18 clients per month for 12 months
Consulting: 1995 - 4 BDOs servicing 3 clients per month for 6 months; 1996 - 4 BDOs servicing 3 clients per month for 12 months; 1997 - 4 BDOs servicing 3 clients per month for 12 months
Group Empowerment Training: 1995 - 10 courses of 5 days each; 1996 - 24 courses of 5 days each; 1997 - 36 courses of 5 days each

World Bank: 1995 - \$500,000 @ 10% per year @ E3.75 per dollar; 1996 - \$500,000 @ 10% per year @ E4.13 per dollar; 1997 - \$500,000 @ 10% per year @ E4.54

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APPENDIX G

Resources Used by the Evaluation Team

APPENDIX G

Resources Used by the Evaluation Team

The following materials were reviewed and people interviewed in the research and compilation of the Final Evaluation and Sustainability Plan for BMEP.

Materials

"Assessment of Staff Development Needs" (internal BMEP document)

BMEP Board of Directors meeting minutes

"BMEP Internal Unaudited Financial Statement, July 27th 1994"

"BMEP Loan Policy and Procedures"

BMEP Personnel Files

BMEP Proposal - "Rural Training for Women's Groups Involved in Incoming Generating Activities July 1993"

BMEP Strategic Plan

"BMEP Trial Balances 1/1/94 - 31/12/94" as of 30 June 1994

BMEP Workplan for the Period December 1, 1993 to November 30, 1994

Confidential Report on the Appraisal of Business Consultants by Frank Mlotchwa

Extension Client Files

Extension Forms

Extension Officers Monthly Reports

FTP, PTT and Rural Training Reports 92-94

ILO Improve Your Business Trainers Manuals and supporting documents

"Medium and Small Business Development Regulations and Related Statutes", Swaziland Ministry of Economic Affairs, January 1992

"Review of BMEP Sustainability Measures, 6 June 1994"

"Statute for Development of Medium and Small Business", Promulgated per Presidential Decree No. 5364, 4 February 1991

Training Model and Curriculum Guide for Small Businesses Mrs. N. Gamedze 11/91

Training Files of Materials and Handouts

Training Staff Minutes of Meetings 93-94

Training Institutions Prospectus

USAID Project Implementation Reports October 1, 1992- through March 31,1994

USAID 1992 Project Description Document

USAID 1992 Project Evaluation

USAID 1989 Project Evaluation

BMEP Staff Interviews

Mrs. Nokukhanya Gamedze	-	Program Director
Mr. Sifiso Ndwandwe	-	Program Manager
Mr. Nicholas Ndzimandze	-	Finance Manager
Mr. Sabelo Sikhosana	-	Credit Officer
Ms. Khetsiwe Malaza	-	Accounts Clerk (since resigned)
Ms. Nomthandazo Magagula	-	Training Officer
Mr. Rudolph Matsenjwa	-	Training Officer
Mr. Eric Maziya	-	Extension Officer
Mr. Stephen Motsa	-	Extension Officer
Mr. Abednego Dikiza	-	Extension Officer
Ms. Patricia Malindzisa	-	Secretary

BMEP Board Member Interviews

Mr. Leonard Lukhele	-	Chairman
Sr. Judith Ellen Dean	-	Vice-Chairman
Dr. Thembayena Dlamini		
Mr. Vukani Mamba		
Fr. Larry McDonnell		
Mr. Paul Tsabedze		
Mr. Barnabas Dlamini		(not available for interview)

BMEP Client Interviews

Patricia Mngomezulu	-	Restaurateur
Nonkuleko Nxumala	-	Grocery/Health Officer
Constance Simelane	-	Grocery
Calvin Ginindza	-	Skills Center Welder
Sibongile Dlamini	-	Tropicale Restaurant
Girliie Mamba	-	Seamstress
Nkosinathi Twala	-	Welder
Getrude Mamba	-	General Dealer
Abedinigo Dlamini	-	Photographer
Malangelo Chiya	-	Green Grocer
Alfred Mahloba	-	Teacher at Lutheran Center
3 Rural Women's Groups		

FTP Trainees Surveyed

Mbuso Mbuli	Thuli Dlamini
Masinda Dlamini	Lindiwe Motsa
Ncamsile Dlamini	Constance Simelane
Siphithemba Motsa	Eric Gamedze
Peter Dlamini	Busie Masangane
Mandla Nxumalo	Thembekile Tsabedze
Jabu Simelane	