BUSINESS GROWTH INITIATIVE

FY 09 Quarter 1 Report

Weidemann Associates, Inc.
J.E. Austin Associates
Management Systems International (MSI)

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Section I. Introduction

The Business Growth Initiative (BGI) Project began September 2006 and is entering the first option year for the five year activity. In the project's third year, BGI will continue to serve as a resource and center for excellence in business development. Research and technical support efforts will focus on effective tools for practitioners and continue to provide leadership for USAID and implementers around key challenges facing enterprise development. This report is a summary of activities for Q1 (1 October - 31 December 2008) of project year 3.

1. Objectives

The goals and objectives of the BGI project remain the same in Year 3 with greater emphasis and attention to the diversity of the BGI's audience and beneficiaries, current trends, and demands in the community.

Specific objectives are:

1) Improve enterprise development project designs and implementation to reflect best practices;
2) Conduct further research on trends and specific aspects of enterprise development;
3) Produce and disseminate technical briefs on specific topics of interest to Missions and to the broader audience for enterprise development;
4) Promote the application of these best practices in enterprise development through technical assistance to Missions to aid in improving design of enterprise development projects and through conducting seminars and workshops; and
5) Provide technical assistance in the design and implementation of pilot demonstration projects in targeted Missions that will exemplify the application of best practices in enterprise development.

To support these objectives the contract anticipates the services to be provided will include:

1) Improved program/project **designs** utilizing best practices in enterprise development in at least four Missions per year;
2) At least two **research** projects per year on specific aspects of enterprise development;
3) At least four **technical briefs** on aspects/trends in enterprise development produced and disseminated per year;
4) At least three **seminars/workshops** per year in the United States and overseas to promote the application of lessons learned and best practices in enterprise development; and
5) At least two **pilot demonstration projects** (PDPs) per year in Missions with a demonstrated interest generated from outreach to those Missions.

A core service supporting the achievement of these objectives is the **Knowledge Management (KM)** system, which itself has its own set of objectives that are presented below in Section IV.

2. Summary of Accomplishments for Q1 of Project Year 3 are:

- BGI held two Daybreak Discoveries. The first, held on October 7th, was entitled *The Cluster Approach to Economic Development.* The second, held on November 19th, was

entitled *Practical Examples of Entrepreneurship Development Worldwide.* Both events were successful, drawing a total of 32 and 26 participants, respectively.

- BGI published one Technical Brief: *The Cluster Approach to Economic Development* by Amy Cogan Wares. This Technical Brief served as the basis for discussion at the October 7th Daybreak Discovery.

- BGI received a buy-in from the USAID/Jordan Mission. The Mission sought out BGI specifically for assistance in drafting a Statement of Work on Global Development Alliances and Public Private Partnerships. Marialyce Mutchler, Project Manager, and Julia Lostumbo, Managing Associate, performed this work for USAID/Jordan.

Section II. Organization and Staffing

1. Outreach and Communications Strategy

In project Year 3, BGI will continue to focus the communication and outreach strategy by targeting experts, establishing linkages with Universities and institutions and other USAID projects and activities. In addition, BGI will actively seek out champions within USAID, to develop and promote joint research and research support activities.

Outreach and Communications Accomplishments in Q1 include:
- Volume 1, Issue 4 of the Newsletter was disseminated to the mailing list in October 2008.
- Weidemann Associates, Inc. staff for BGI attended EGAT Enterprise Development training in October and the EG Officers Training in December. In addition, Mike Ducker from J.E. Austin Associates presented at the Enterprise Development training on ICT and development. These events provided BGI staff with the opportunity to connect and discuss with new USAID Officers.
- BGI was invited to attend the Global Entrepreneurship Monitor annual meeting at Babson College in January.

Outreach and Communications Planned in Q2:
- Volume 2, Issue 1 of the Newsletter will be sent out to the mailing list at the end of January.
- BGI plans to attend the Global Entrepreneurship Monitor annual meeting January 15-16 that shadows the event BGI hosted in collaboration with the Heritage Foundation in June 2008 on *Measuring the Business Climate and Promoting Entrepreneurship.*

2. Staffing

Additional level 2 and level 3 staff have been approved from Weidemann Associates, Inc., J.E. Austin Associates, Inc. and Management Systems International.

- In October 2008, two new staff members were approved as personnel on BGI for J.E. Austin Associates, Inc.: Aliya Ishmukhamedova and Jessica Reynolds.

- In October 2008, Adam Saffer was approved as key personnel for MSI.

- In October 2008, Carolyn Kirchhoff began as the Program Associate, replacing Lauren Budnick.

- In October 2008, Julia Lostumbo began as the Level II support.

- In October 2008, Thomas Gibson was approved as a consultant to work on a Technical Brief and give a presentation at the January Daybreak Discovery event on Shareholder Loan Funds.

Section III. Program Activities

1. **Improved Program/Project Designs for Missions**

   A. Asia and Middle East Bureau (A&ME)

   The objective of this activity is to support economic growth programs in the Asia and Middle East (A&ME) Bureaus and Missions by carrying out and disseminating regional research on how to make EG alliances work. Regional analyses will also provide state-of-the-art knowledge on critical economic growth programs and development policy issues facing A&ME Bureaus and Missions. Finally, program support will provide A&ME senior management and Mission support for EG strategy development and program design and implementation across the regions.

   - Work Assignment 39 *Economic Growth Alliances, Analyses, and Program Support.* Scope of Work includes three phases, a desk research, site visits to up to four countries and a final report on best practices and recommendation for economic growth alliances in the Asia and Middle East region. Julia Lostumbo is leading the desk study research. A draft report is due 30 January 2009.

   - Work Assignment 41 *Yemen Economic Growth Strategy Desk Study.* The A&ME Bureau has requested a literature and desk study of Yemen to support the development of an economic growth strategy. Carolyn Kirchhoff began the literature review. The desk study is due 24 January 2009.

   Asia and Middle East Bureau Activities planned for Q2 include:

   - Complete Phase one of Work Assignment 39. Conduct site visits Under Phase two. Site visits may be conducted by personnel from A&ME, EGAT and BGI.

   - Complete Work Assignment 41 *Yemen Economic Growth Strategy Desk Study.*

   B. USAID Mission Support

   BGI will continue to actively pursue work for improved project\program designs that are demand driven and based on direct or indirect requests for support, interviews with program or Mission staff, and knowledge of when project/program decisions will be made. With approval from the CTO we will contact and work with appropriate Mission personnel to define in detail the support needed in the concept development, design or evaluation of a program/project.

   USAID Mission Support Accomplishments in Q1 include:

   - BGI received a buy-in from the USAID/Jordan Mission. The Mission sought out BGI specifically for assistance in drafting a Statement of Work on Global

Development Alliances and Public Private Partnerships. Marialyce Mutchler, Project Manager, and Julia Lostumbo, Managing Associate, performed this work for USAID/Jordan.

C. Trainings and workshops

Trainings and Workshops Accomplishments in Q1:
- BGI held two workshops in the Daybreak Discovery series. One in October on the *Cluster Approach to Economic Development* and one in November on *Practical Examples of Entrepreneurship Development Worldwide.*

International Work/Conference Accomplishments in Q1:
- BGI meet with USAID/Jordan mission staff to discuss topics for a regional enterprise development workshop and conference. USAID/Jordan requested a 2 day workshop for USAID EG personnel to be followed by a 2 day conference open to USAID personnel, implementers and businesses. BGI staff met with several potential venues in Jordan, received quotes and made recommendations to USAID/Jordan regarding potential workshop topics and a conference agenda.

Trainings and Workshops Activities planned for Q2:
- BGI plans to hold the next workshop in the Daybreak Discovery series in January. The discussion, led by Thomas Gibson, will be on *"Fourth Door Funds": SME Risk Capital.*
- BGI plans to participate in the GEM annual meeting held by Babson College in January that shadows the event BGI hosted in collaboration with the Heritage Foundation in June on the business enabling environment.

D. Enterprise Development Diagnostic Tool

Enterprise Development Diagnostic Tool Accomplishments in Q1 include:
- The Enterprise Development Diagnostic Tool was reviewed in October in order to begin the process of internal testing. BGI and AGCI/KSA discussed collaborating on pilot testing the tool in Africa in 2009.

Enterprise Development Diagnostic Tool Activities in Q2 include:
- The EDD Tool is expected to be re-named and the enterprise survey redrafted. BGI and AGCI will continue discussions regarding collaborating on pilot testing.

E. Value Chain/Enterprise Development Implementation Checklist

Value Chain Checklist Accomplishments in Q1 include:
- The Value Chain Checklist was completed in this Quarter. It has been established that the checklist is difficult to use independently from the World Bank Toolkit. It has been preliminary established with the World Bank that inclusion of the Toolkit with the Checklist on the BGI website will not be a problem.

Value Chain Checklist Activities in Q2 include:

- The World Bank plans to formally launch the Toolkit in Q2, along with hosting a workshop. BGI hopes to coordinate with the World Bank for this brown bag series.
- BGI plans to publish the Value Chain Checklist. Additionally, the Checklist and the Toolkit will be put on the BGI website in a manner that will allow practitioners to use and access these tools.

2. Research Activities

Topic areas for BGI research for Year 3 are defined as: Business Growth in Post Conflict Environments; Business Environment; Strengthening Enterprise Support Systems; Innovation in Business Growth; and Enterprise Finance.

Research Activities accomplished in Q1 include:

- In Q1, the research plan for the year was established and approved. Specifically, the work assignment on Extractive Industries and SMEs was approved. This will constitute the first full research project undertaken by BGI in a year.

Research Activities planned for Q2 include:

- BGI will continue work on the Extractive Industries and SMEs research paper.

- BGI will publish a Technical Brief and Research Paper on "*Fourth Door Funds": SME Risk Capital.*

- BGI will continue work on a technical brief on the future of cluster competitiveness.

- BGI will continue collaboration with Judy Payne on the *Catalytic Effects of ICT and Enterprise Development.*

3. Technical Briefs and Notes from the Field

Technical Briefs are short documents with essential information gleaned from research reports or other documents and activities on the lessons learned in enterprise development.

Notes From the Field provide detailed information and background on an individual project or an approach. NFTFs are strong accompaniment documents to technical briefs, but do not fully present an issue. In addition, NFTFs are live documents that may be updated to bring the latest experiences to BGI audiences.

Technical Briefs and *Notes from the Field* disseminated in Q1 include:

- Technical Brief No. 7, *The Cluster Approach to Economic Development*, by Amy Cogan Wares with contributions from Stephen Hadley was disseminated on October 7, 2008. This technical brief examined the activities that have been undertaken by USAID on cluster initiatives.
- Work Assignment 39 Technical Brief *Evaluating the Impact on Enterprises of Country's Improvements on Doing Business Indicators,* was negotiated. J.E. Austin Associates will lead this activity which details how enterprises have performed and

changed their strategic planning and investment decisions in response to country-wide improvements in the business environment.

Technical Briefs and *Notes from the Field* planned for Q2 include:

- Technical Brief, *Fourth Door Funds": SME Risk Capital* by Thomas C. Gibson, to be completed and present in January.

4. Seminars/Workshops

Seminars/Workshops Accomplished in Q1 include:

- BGI presented the Technical Brief *The Cluster Approach to Economic Development* in a Daybreak Discovery event, October 7, 2008.
- BGI presented an event, coinciding with Global Entrepreneurship Week, on *Practical Examples of Entrepreneurship Development Worldwide.*

Seminars/Workshops planned for Q2 include:

- Daybreak Discovery: *Shareholder Loan Funds in Developing Markets.*

5. Pilot Demonstration Projects

BGI continues to review the current program and discuss with missions and related KM project opportunities to lead and contribute to pilot demonstration projects. BGI will seek to promote pilot activities for the practical application of research projects. Pilot programs are dependent on funding. Programs for Year 3 will explore the following key areas:
- Enterprise Development Indicator and the Diagnostic tool – collaboration with AGCI/KSA.

Section IV. Knowledge Management System

Knowledge Management (KM) is a core service in the BGI project. Specific objectives of the KM system are:

- Capture, provide custodianship, and perform taxonomy of all information, data, analysis, and any other written material produced under the BGI project;

- Create a standard framework for knowledge creation, sharing and vetting;

- Disseminate lessons learned, best-practices and professional training in appropriate multimedia formats;

- Provide technical-support and outreach to USAID missions, client country decision-makers, other domestic US and international development and support organizations; and

- Coordinate donor and KM linkages, create and support "Communities-of-Practice."

Knowledge is generated and shared in many ways. The above described activities are and will be generating knowledge about best practices in enterprise development. Disseminating knowledge includes the traditional methods of distributing published reports, presentations in workshops and seminars, and teleconferencing of BGI personnel with USAID personnel.

The BGI web site facilitates dissemination of knowledge, as well as capturing knowledge through participation in a wider circle of practitioners. In order to improve website operations BGI will work with SharePoint experts Applied Knowledge Group. Initial activities will be a systems diagnostic, assessment and mapping.

Specific KM Portal Accomplishments for Q1 include:

- The report on website stability and issues to be worked out was completed by the Applied Knowledge Group consulting firm. The report was reviewed by Weidemann Associates, Inc. staff and an appropriate action plan for moving forward was established.

- A new Key Practice Area page, Innovation and Entrepreneurship, was published at the beginning of October. This page is the culmination of previous months' work developing this new technical area for BGI.

- Continued re-design of the BGI website occurred in Q1 to ensure that all pages had the same style and uniform lay-out to facilitate the ease of using the website.

- Updated documents were added to the Key Practice Area pages and Studies in Enterprise Development list. The events page was also updated.

- The Business Centers/Incubators and Strengthening Support Systems for Enterprises pages under Key Practice Areas were merged into one page, Business Services, to facilitate the ease of using the site.

KM Portal Activities planned for Q2 include:

- The steps outlined in Q1 for stabilizing the website will be completed.

- The Value Chain Checklist along with the Toolkit will be added as a new tool on the website under BGI Products.

- The Enterprise Development Diagnostic Tool will be added to the website under BGI Products.

- The Services to Bureaus and Missions page will be moved from About BGI to the BGI Products heading.

- The potential of changing the format of how documents are presented on the pages will be looked into. A decision will be made as to how to best move forward to changing formats to ensure user ease of finding the documents.

- Further actions to make the website more user-interactive, following the new wave of software and programs of Web 2.0, will be reviewed. Action on these items will follow the stabilization of the website, which will take priority over all activities for the KM Portal.