

Review of the Business Innovation Facility portfolio

Assessing results and trajectories of inclusive businesses
at the end of a three year pilot

BIF M&E team, Caroline Ashley, Carolin Schramm, Adriano Scarampi
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Full version

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Key acronyms

BoP: Bottom of the pyramid

IB: Inclusive Business

MNC: Multi-national Corporation

TA: Technical assistance



Introduction

The purpose of this document is to share the full M&E findings from the BIF portfolio. It covers facts and figures in detail and includes reflections and summarised findings. More information can be found in other BIF publications (<http://bit.ly/BIFPublications>)

BIF Context & Background

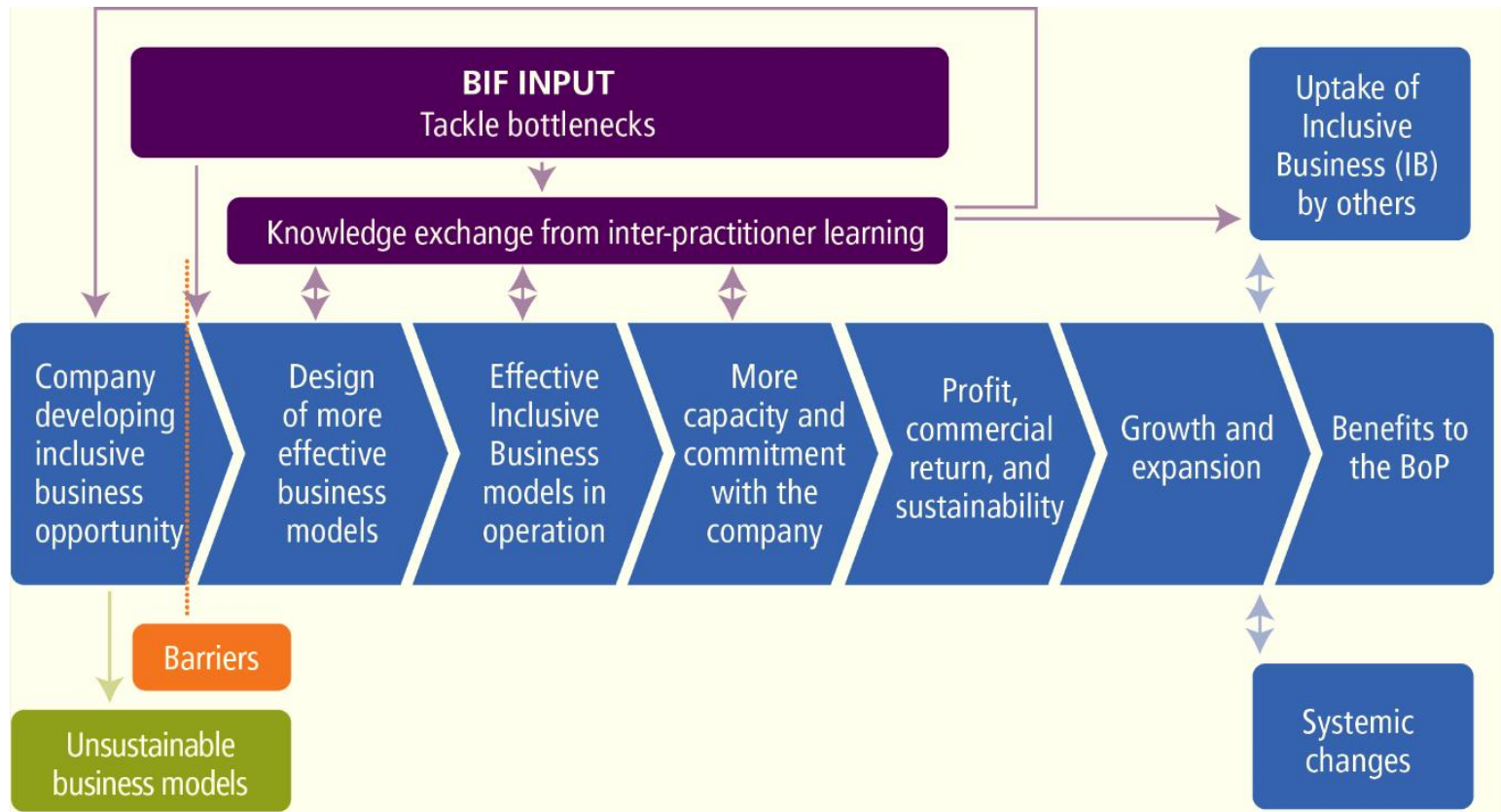


- This review summarises and explores emerging results and findings from the almost 300 inclusive businesses across five countries (Bangladesh, India, Malawi, Nigeria and Zambia), that have been supported by the Business Innovation Facility (BIF) over the past 3.5 years. Support from BIF is not cash, but technical input – some weeks or months of advisory support to help the business overcome challenges, seize momentum, and make progress in its inclusive business journey (see page 5 for further information on the logic of BIF support).
- BIF offers two types of support.
 - Long term technical support has been offered to 40 companies on a cost-sharing basis. In general, this support can last between three and six months. The providers of technical assistance are often deeply involved with the company for the period of time. The impact of the support is carefully monitored and evaluated. We call these '**Long Projects**'
 - Short term technical support. This is provided to a company, or a cluster of companies on one aspect of their business venture. This short term support (up to 20 days) focuses on helping them to overcome an immediate bottleneck or to seize an opportunity. We call these '**Short Projects**'. Around 60 companies have been the direct beneficiaries of this support, as well as almost 200 companies that have taken part to workshops and focus groups.
- We draw on various data sources (company data, consultant feedback and BIF team knowledge and insights) both quantitative and qualitative. This review focuses mainly on long projects for which – given the fact support is longer and more substantial – we also have obtained more monitoring & evaluation data (see pages 7 and 8 for further information).
- This review builds on previous analysis done over the lifetime of the BIF pilot and compares data over time where possible. To access previous reviews please visit <http://businessinnovationfacility.org/group/inclusive-business-impacts-network>

The logic of BIF



For a more detailed overview of BIF's logic chain see our Spotlight, the logic of Business Innovation Facility support (<http://bit.ly/BIFlogic>), that builds up a diagram of our logic chain in six steps. It shows the journey that companies are on developing inclusive business, where BIF intervenes, and how this is intended to lead to impacts at the Base of the Pyramid, changes in systems and uptake of inclusive business by others.



Headline messages



BIF support	The pilot BIF has provided support to 40 long and 68 short projects across five countries. The total value of the technical assistance for long projects is \$1,883,475 and \$759,817 for short projects, i.e. a total of approximately \$2.6million . This review focuses mainly on long projects.
Lead organisations	Medium and large companies predominate regardless of location. Only a few are start-ups or led by NGOs. In our analysis of lead organisations for long projects we differentiate between two categories: <ul style="list-style-type: none"> • Established medium/large companies that are diversifying into inclusive business (63%); we refer to these as 'diversifying-into-IB' in short • Where the inclusive business is the core business model of the company (35%); we refer to these as 'core-IB' in short
Inclusive Business Models	The portfolio is split almost evenly between inclusive business projects that primarily benefit consumers at the BoP and those that benefit producers. Projects are spread across many sectors, but with a heavy concentration in food and agriculture. A handful of projects have a particular focus on women and/or the environment.
Inclusive Business implementation progress	It was always expected that the BIF portfolio would include businesses that flourish, many that progress, and a few that falter, though firm predictions of percentages were never made. As of September 2013, a snapshot of the portfolio shows that 80% of the large projects are progressing and one in five has stalled or been cancelled. Of those making progress, two so far count as flourishing, and just over half count as progressing well.
Commercial Results	Current turnover of the inclusive businesses varies widely from zero to several millions. Business growth has been variable in the first year or two since a baseline was completed with BIF. Focusing exclusively on the 18 businesses that have actual outturns for Years 0 and 1, we can see that turnover grew by 62 per cent from around \$95,000 to \$155,000 . Based on latest actual figures available four projects are reporting positive profits. A further seven estimate positive profits in year 1.
Development impacts	Impacts at the BoP are moderate so far, potentially high, certainly variable and difficult to estimate. At the time of BIF baselines, the total portfolio was reaching around 75,000 people at the BoP, while latest data for Year 1 is to reach around 235,000 . Companies have reported that the reach is expected to grow to a total of 5.7m households in year 5. Adjusting these estimates by an optimism factor and scaling them down by the current progress of the projects has allowed us to estimate these figures to a more realistic 3.7m . Of these, we believe that 1.5m households can be plausibly linked to BIF's input.
BIF	BIF support has focused mainly on business planning support. About 50% of projects perceive strong additionality. Around 40% identify medium additionality.



Data sources for this review

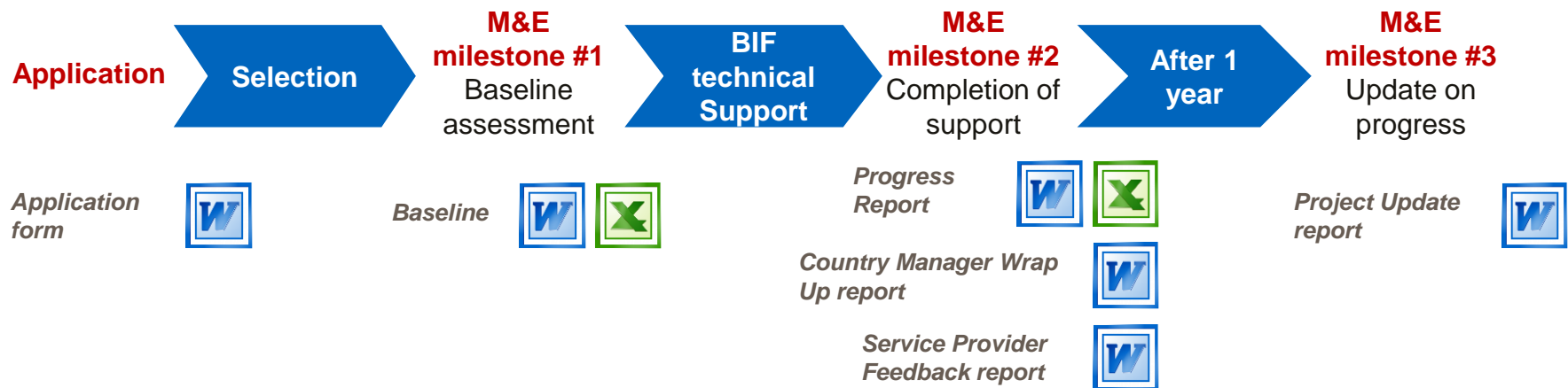
The methodology of BIF's Monitoring and Evaluation (M&E) system is centred around three milestones

1. An initial Baseline, just before or at the start of service delivery
2. A Progress Report, at completion of service delivery from the Facility
3. An Update Report, completed 12 months after the Progress Report

The data used during this portfolio review has been collected during the three milestones, as well as during the initial application process through ongoing project management. It is made of both quantitative and qualitative data, which we have aggregated to provide an overview of the composition of the portfolio, the progress to date and the expectations going forward.

In addition, we have conducted regular team assessments of various indicators around project progress which are also part of this review

The diagram below summarizes the various stages of the process, including the type of forms that have been collected along the way.





Project sample sizes subject of this review

In total 46 long projects have been approved by the BIF selection committee over the past 3.5 years. BIF support, however, only began for 40 of these. For 32 projects we obtained updates to information collected at baseline. Hence, for basic analysis our sample size is 40 and for comparison over time our sample size, in most cases, is 32*.

Long projects approved by BIF selection committee



Sample subject of this portfolio review

Long projects contracted, for which baseline was carried out and BIF support started



Long projects for which BIF support is completed or expected to be completed



Data availability

Projects for which updated quantitative & qualitative data is available (Progress Report or Project Update)



Data sources

Application forms	40	Progress Reports B (quantitative)	25	Country Manager Wrap Up	39
Baseline forms	40*	Project Update reports	14	Team knowledge and research	
Progress Reports A (qualitative)	32	Service Provider Feedback	Various		

* In some instances the sample will be lower than 32 because of the impossibility to capture certain data or poor data provided by the organisations

** Although all projects completed the baseline reports, one was not able to provide any financial data

Section 1

Portfolio overview





Portfolio of the 40 long projects

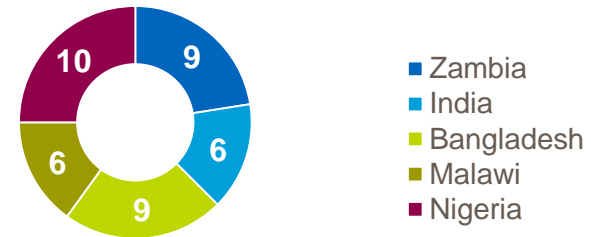
Overview of BIF input

- The BIF portfolio includes 40 long projects for which support has been completed (or completion is expected in due course)
- The average contractual length of the long projects is of 5.5 months. The longest project lasted for 17 months and the shortest for 2
- The total contracted value of TA support provided is **\$1,883,475**
- Average BIF spend per project: **\$47,087**
- Highest BIF project input: **\$115,930**
- Lowest BIF project input: **\$13,200**

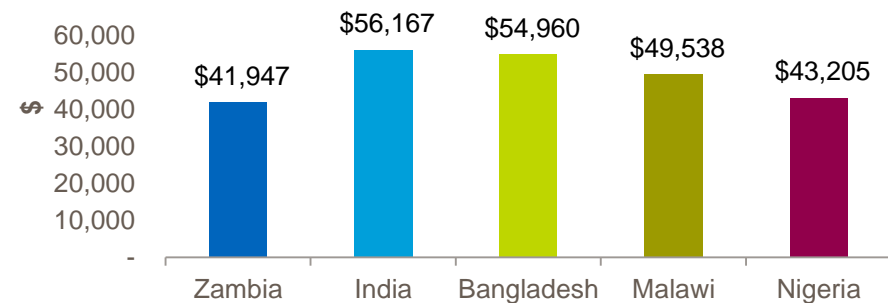
Match funding

- Total amount match funded by the businesses themselves is: **\$2,223,509**, which corresponds to **117%** of the amount spent by BIF on TA
- Of this funding, **\$791,380** was in actual cash contribution, equal to **42%** of BIF's spend on TA (this was spent for marketing costs, paying for the hire of external resources etc...)
- The highest match funding has been for a total of **\$175,000**, that went to cover product R&D and marketing costs

Long projects by country of operation (N=40)



Average long project BIF spend per country, \$ (N=40)



Breakdown of spend (N=40)



Our portfolio of long projects: 40 companies, 5 countries



Nigeria - 10
 AACE, Furniture Village, Guinness, Stanbic, Dala Food, Teragro, L&Z, d.light, Best Foods, O-Gas



Bangladesh - 9
 JITA, Agora, Pabna Meat, ERAS, ACI, Shiblee, PRAN Agro, large international NGO*, food producer*

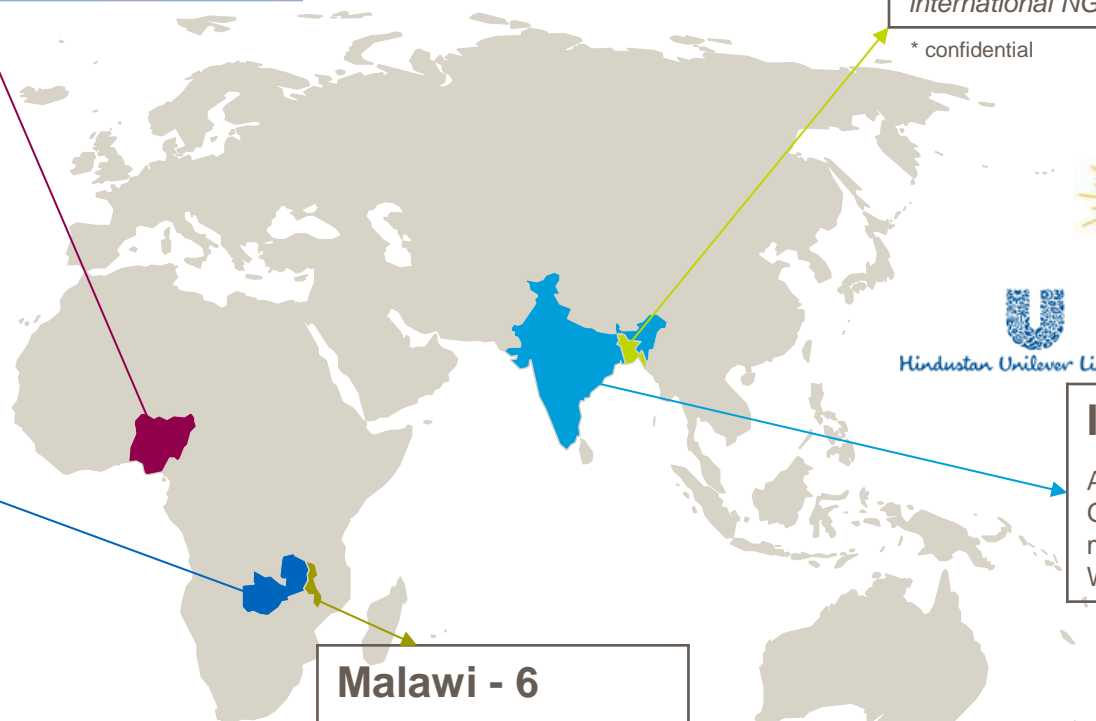
* confidential



Zambia - 9
 Ischool, Barrick, Healthstore, Sylva Foods, Tata Tannery, CEC, Cropserve, Sun Hotels, Lafarge



Logos are illustrative



India - 6
 Azure, HUL, MCX GSK, Saraplast, mKRISHI®, Waterlife/Bosch

Malawi - 6
 Malawi Mangoes, Microloan, MEGA, Afrinut, Universal, tea company*

* confidential



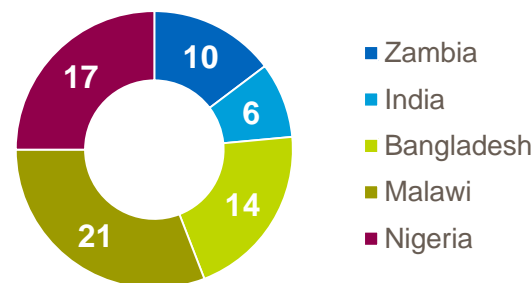


Portfolio of the 68 short projects

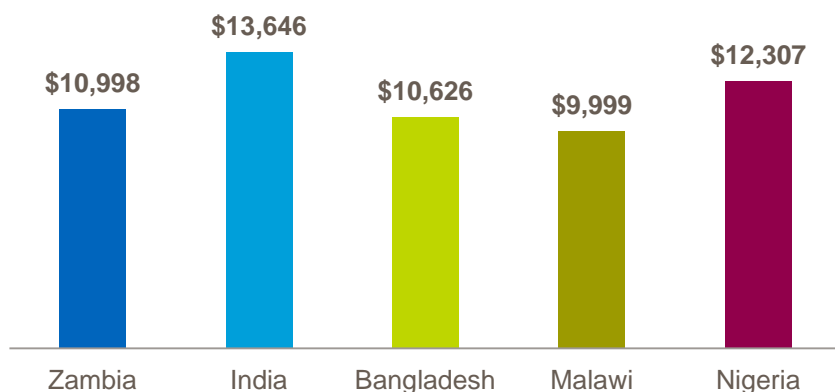
Overview of BIF input

- The BIF portfolio includes 68 short projects
- Of these, 46 were one-to-one TA interventions, and 22 were one-to-many workshops and research projects
- The total value of TA support provided is **\$759,817**
- Average BIF spend per project: **\$11,174**
- Highest BIF project input: **\$24,543**
- Lowest BIF project input: **\$2,550**

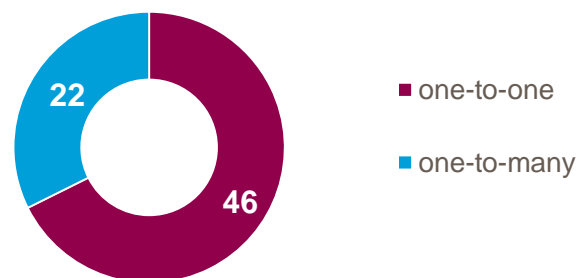
Short projects by country of operation (N=68)



Average short project spend per country (N=68)



Short projects: one-to-one vs one-to-many (N=68)

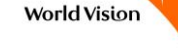


Our portfolio of short projects



Nigeria - 18

Abira, Beekeeping Extension Society, Folawiyo Farms Ltd, Guinness, League of Contractors, Onward Papermill, Sabeanat Nigeria Ltd + workshop participants



Bangladesh - 15

ACI, BSOA (Bangladesh Supermarket Owners Association), FSB, M&S, Mitsubishi, Pabna Meat, Gain + workshop participants



Zambia - 10

ARK, BioCarbon Partners Zambia Limited, CHC Commodities, Sun Hotels, Sunline, Taj Pamodzi Hotel + workshop participants



India - 6

Airtel, Milk Mantra, Azure Power, Better Cotton Initiative, Sankalp + workshop participants

Malawi - 22

Afrisphere Worldwide, Charles Stewart, CISP, Ecobricks, Global Tea and Commodities, Independent, Malawi Mangoes, Moringa Miracles, Nali, Rab Processors, Tree Crops Ltd + workshop participants



Section 2

Lead organisations

In our analysis we distinguish between host companies (“lead organisations”) and their inclusive business models. In some cases the two are identical, e.g. a small start-up company for which the main and only activity is the ‘inclusive business’. For others, this is not the case, e.g. for medium or large companies that only focus a part of their business on becoming more inclusive. This gives us two important categories:

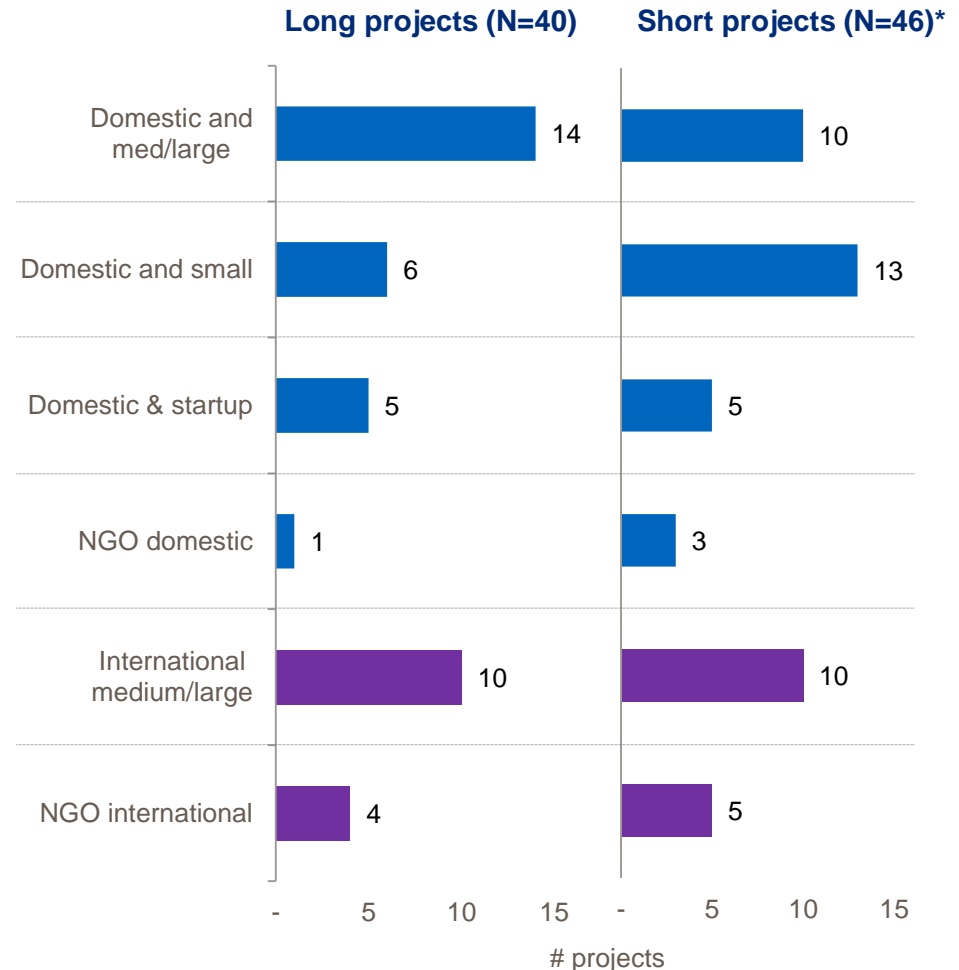
- Established medium/large company that is diversifying into inclusive business (62.5%), we refer to these as **‘diversifying-into-IB’** in short
 - Inclusive business is the core business model of the company (35%), we refer to these as **‘core-IB’** in short.
- 2.5% of businesses cannot be clearly associated with one category because they are led by an NGO or International organisation.

A diverse portfolio of lead organisations



- We differentiate between lead organisations and the inclusive business venture
- Lead organisations are defined as the organisations that BIF has a contractual relationship with
- The size of the lead organisation is determined by its number of employees:
 - Start up or Micro: 10 employees or less
 - Small: less than 50 employees
 - Medium: between 50 and 250
 - Large: more than 250
- The portfolio is diverse: two thirds of lead organisations are domestic, and one third international
- Over half of the companies of the 40 long projects are medium or large (size based on employee numbers)
- Short projects have a larger proportion of small domestic lead organisations

Number of projects per type of lead organisation

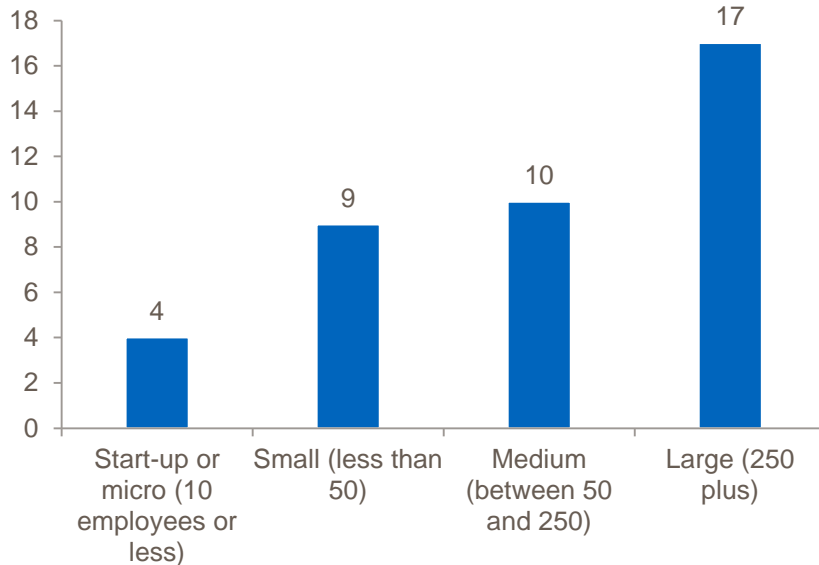


* Only 46 lead organisations for the short projects are included as these are the one-on-one projects. BIF does not have contractual relationships with any organisations on most one-to-many short projects

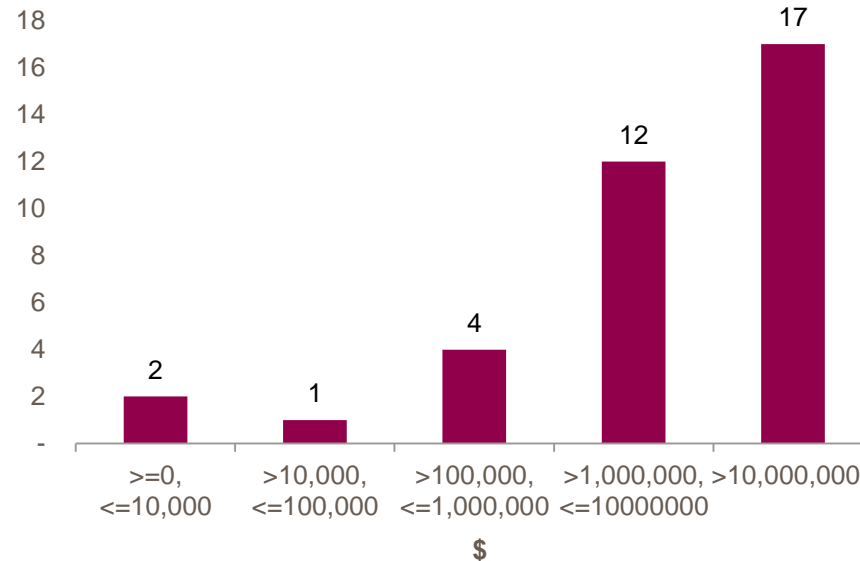
Medium and large companies predominate in our portfolio of long projects



Categorisation of lead firm by number of employees (N=40)



Categorisation of lead firm turnover (N=36)



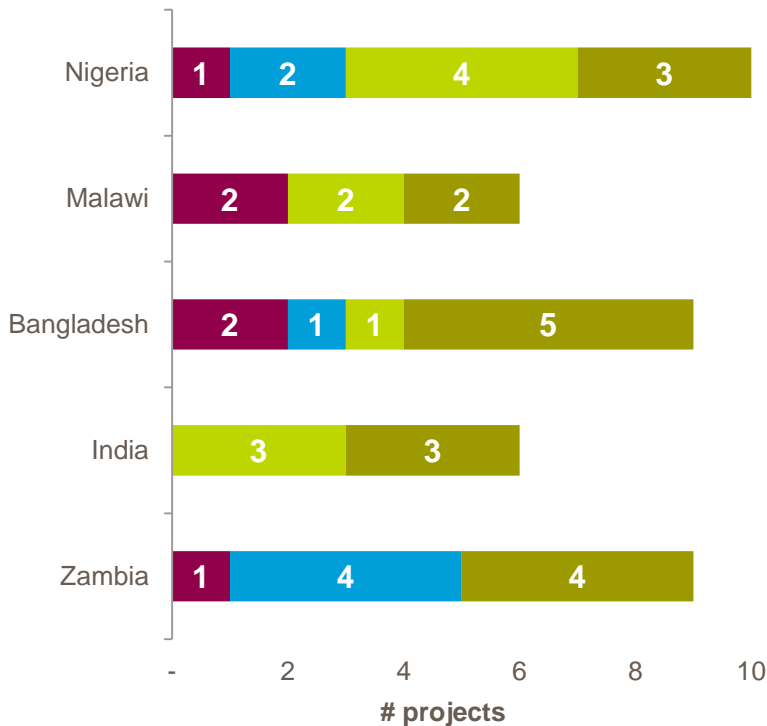
For four lead firms, turnover data is not available

- In terms of number of employees, 43% of the organisations BIF has contracted with have over 250 employees
- Medium and large companies predominate also when looking at the lead firm turnover
- Amongst the 35 contracting organisations for which turnover data is available, 29 (81% of the total) have turnovers over \$1 million
- Seven of these are MNCs: Hindustan Unilever, Tata Group, Waterlife, Guinness, Stanbic, Tata Tannery, and a large food producer

Medium and large companies predominate regardless of location. Only a few are start-ups or led by NGOs



Lead organisations categorised by number of employees and country (N=40)



- Start-up or micro (10 employees or less)
- Small (less than 50)
- Medium (between 50 and 250)
- Large (250 plus)

- In all countries medium and large companies make up a large proportion of all long projects
- India does not have any small, micro or startup projects in its portfolio
- Three lead organisations can be classified as startups: MEGA and Malawi Mangoes in Malawi, AACE in Nigeria
- Six projects are led by NGOs

Projects where the leading organisation is an NGO

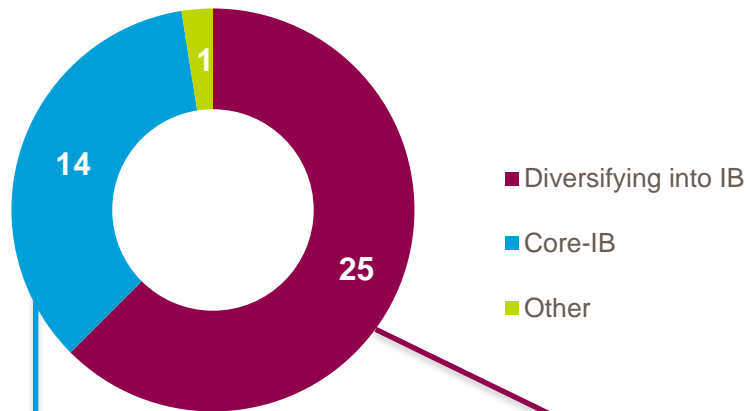
Lead NGO	Country	Project name / company name
Twin Trading	Malawi	Afrinut
Microloan Foundation	Malawi	Microventures
<i>Large international NGO*</i>	Bangladesh	
CARE	Bangladesh	JITA
Waterlife	India	Partnership with Bosch
Healthstore Foundation	Zambia	One Family Health

* Confidential



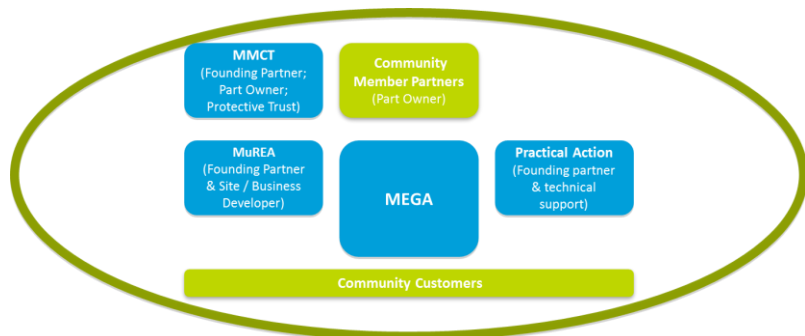
Project relationship to lead organisation

Portfolio Breakdown of type of project (N=40)

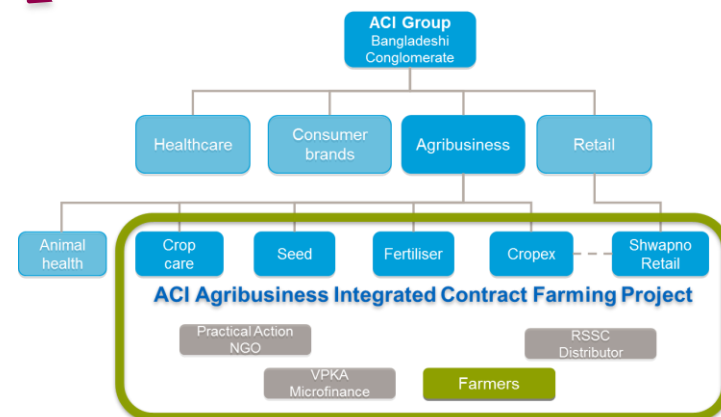


- We categorise how the inclusive businesses fits into the lead organisation in the following way:
 - **Diversifying into IB (62.5% of all long projects):** these are organisations for which the Inclusive Business is a small part of their overall operations (see diagram with ACI's example below)
 - **Core-IB (35% of all long projects):** organisations for which the Inclusive Business is the lead organisation itself (see MEGA's example below)
 - **Other (2.5% of all long projects):** These are projects for which the other two categorisations do not apply. Only one cannot be categorised as it is a large NGO-led programme
- Our portfolio of large projects is well split between the two different business models

MEGA's Inclusive Business boundaries



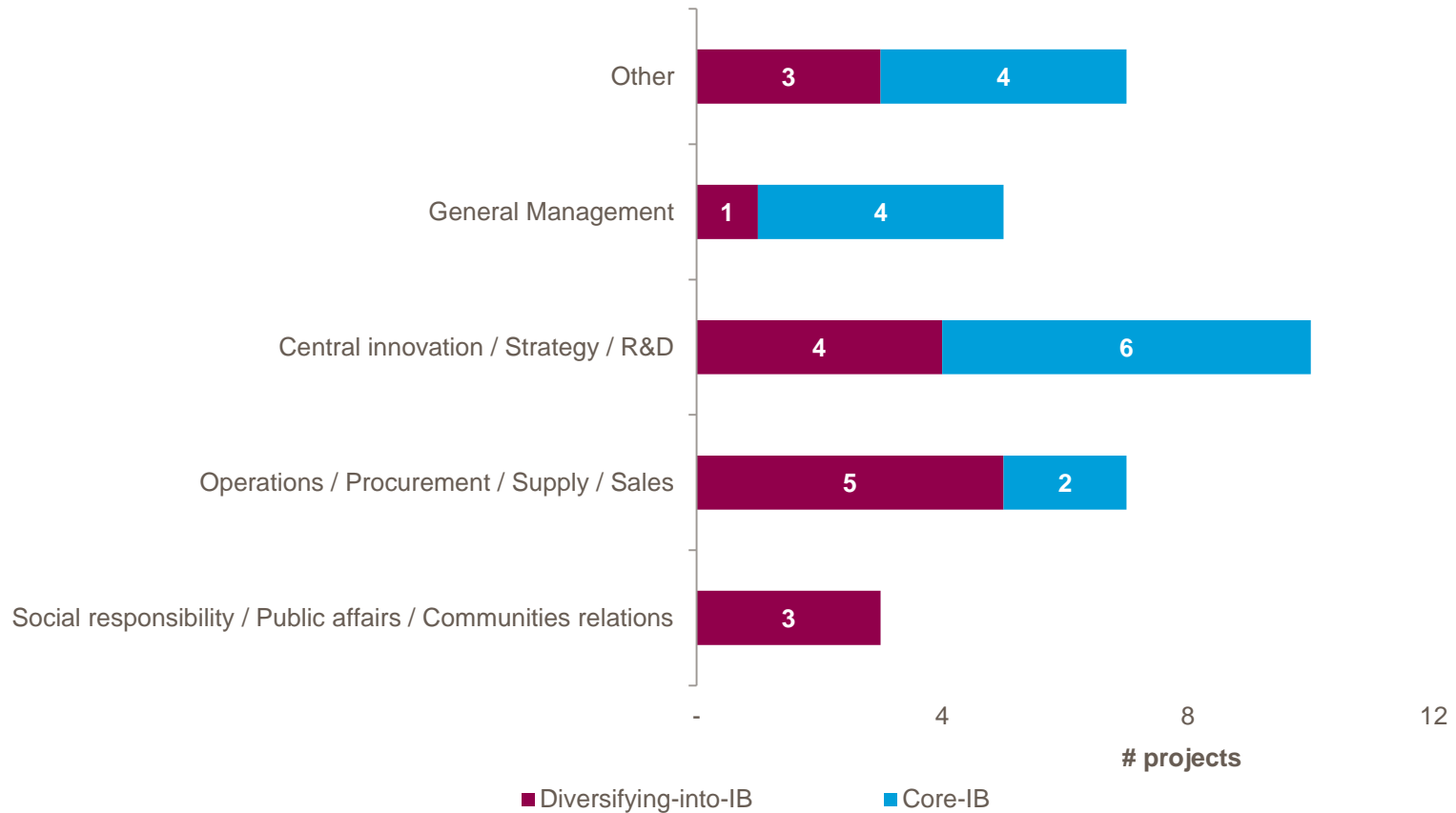
ACI's inclusive business boundaries



Driving departments in lead organisations



Driving departments in lead organisations, by IB model (N=32)



* Using latest available data, 14 projects reported at Progress Update / Project Report, 18 at Baseline
"Other" also includes "General Management"

Section 3

Inclusive business models

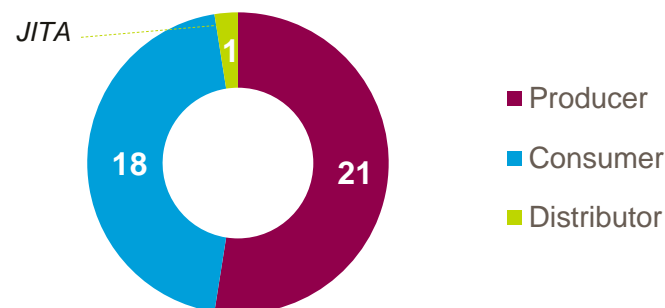
This section looks at a range of different characteristics that we use to define and categorise the inclusive business ventures that BIF has supported. For example, the type of project is defined by sector, product and beneficiary group (consumers / producers / distributors) . Or in other words the area in the value chain where the greatest benefits for low income people occur. We also illustrate which projects have a particular focus on women and/or the environment.



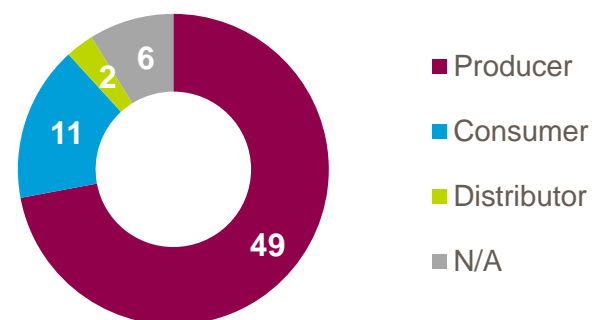
Base of the Pyramid (BoP) focus

- The portfolio is split almost evenly between inclusive business projects that primarily benefit consumers at the BoP and those that benefit producers. JITA in Bangladesh, is the only long project that targets BoP distributors.
- Around one quarter of projects* also have a secondary group of beneficiaries. In the case of JITA, it is projected that up to 2million rural women consumers will also benefit
- It is important to note that a project is considered 'consumer focused' if it sells goods and services to the BoP – even if they are farmers and their livelihood is production, E.g. mKrishi® or MCX
- Short projects are predominantly producer focused. This is driven by the predominance of Malawian and Nigerian projects in the portfolio, which have a greater focus on BoP producers.
- Six short projects cannot be classified in terms of BoP focus. These are networking workshops aimed at bringing together various players within an industry sector, not focusing on a specific BoP target

Long projects by primary beneficiary type (N=40)



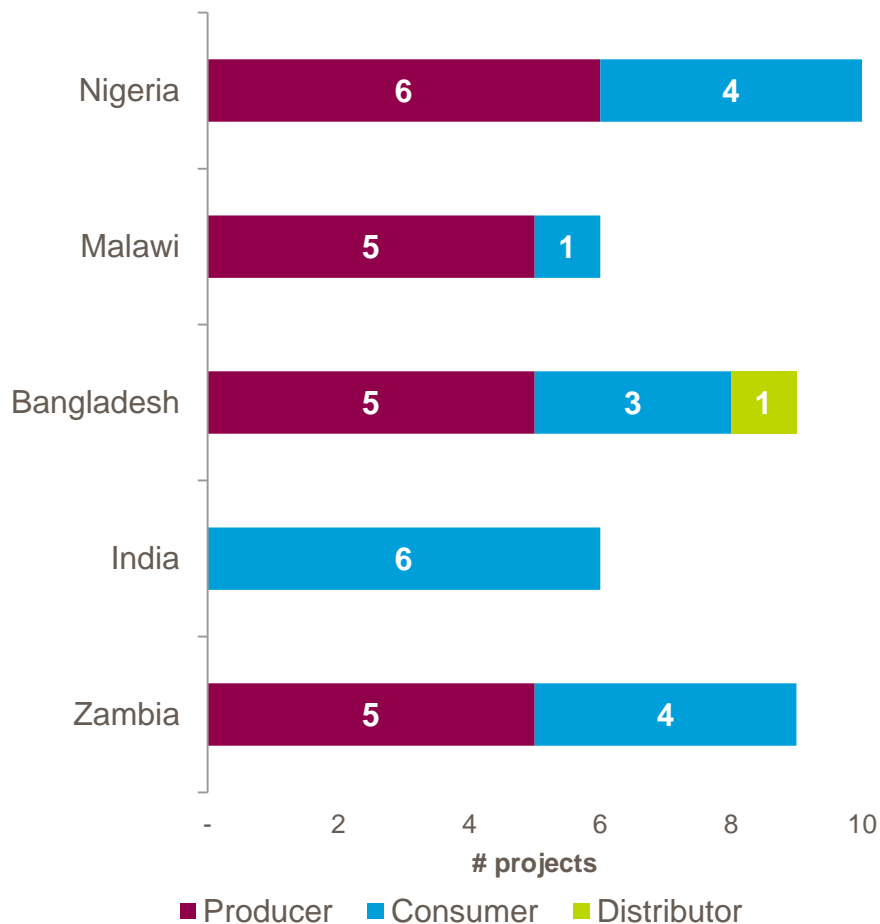
Short projects by primary BOP beneficiary type (N=68)





BoP focus by country

Project BoP Focus by Country (N=40)

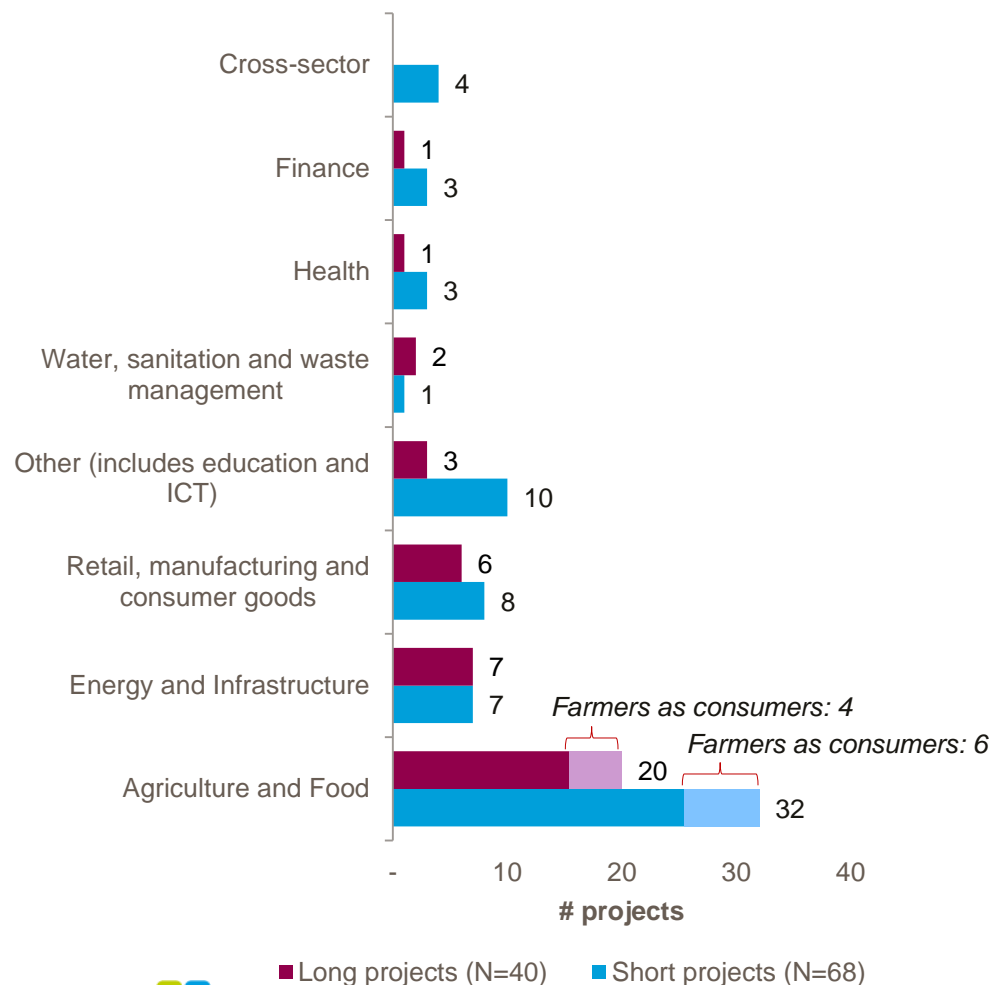


- When looking at BoP focus by country, we see divergence.
- The largest of our markets, India, focuses exclusively on projects targeting consumers at the BoP. These are mainly inclusive businesses bringing products to the BoP that aim at improving their lifestyle and living conditions (e.g. Waterlife, mKrishi®, HUL)
- The smaller Malawian economy, with a large rural population heavily reliant on the agricultural sector, has a majority of projects targeting producers. The principle aim of these projects is to develop inclusive value chains linking smallholder farmers to markets, such as Universal, Malawi Mangoes and Afri-nut
- The Zambian, Nigerian and Bangladeshi portfolios are more balanced.



Projects by sector of operation

Number of projects by sector of operation

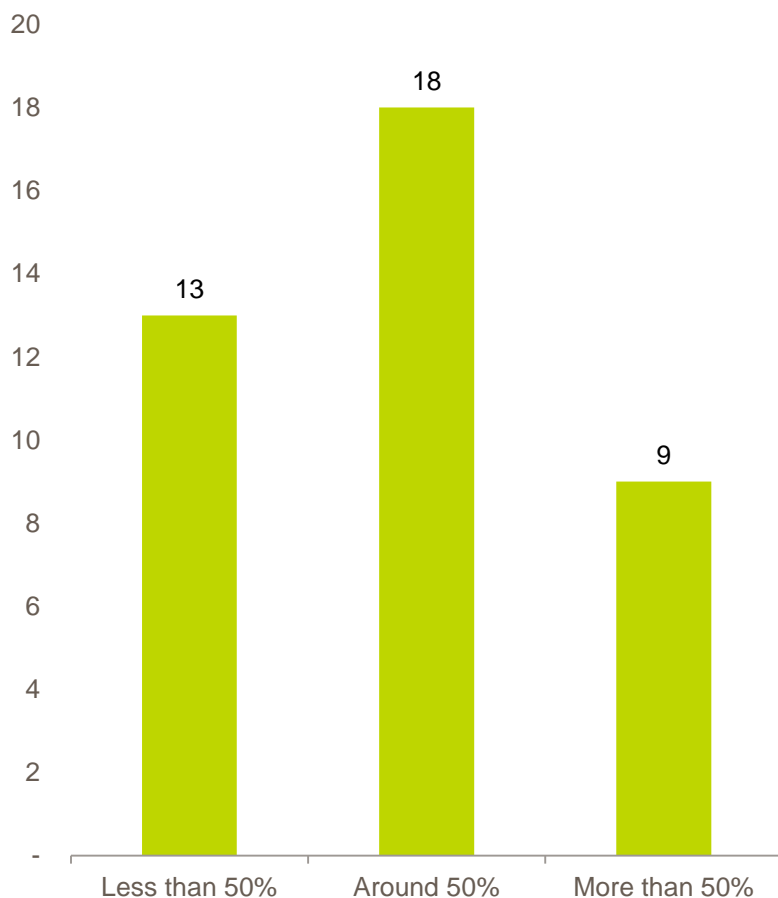


- Projects are spread across many sectors, but with a heavy concentration in food and agriculture.
- This sector includes projects that sell to farmers (e.g. soil testing kits), purchase farm products for processing (e.g. mangoes for juice, hides for tanning), or are sourcing for food manufacture (e.g. soups) or retail sale (e.g. urban supermarkets).
- Long projects that benefit farmers as consumers include mKrishi®, MCX GSK, ERAS, Cropserve
- Four short projects are not aligned to any specific industry sector and have been categorised as “cross-sector”. These are workshops bringing actors from various industries together to discuss and network around the issue of ‘doing’ Inclusive Business



Focus on women

Projects by % of women beneficiaries (N=40) *



- Nine projects (22.5% of total) are categorised as having a particular focus on women. Among these, there are producer focused projects targeting value chains in which women play an important role (Afri-nut / peanuts, Pabna Meat / Beef, Universal / cassava), projects linking women to agricultural markets (Microloan and ERAS) and projects aimed at empowering distributor women (JITA)
- The thirteen projects classified as targeting less than 50% of women beneficiaries are mostly projects engaging with male farmers

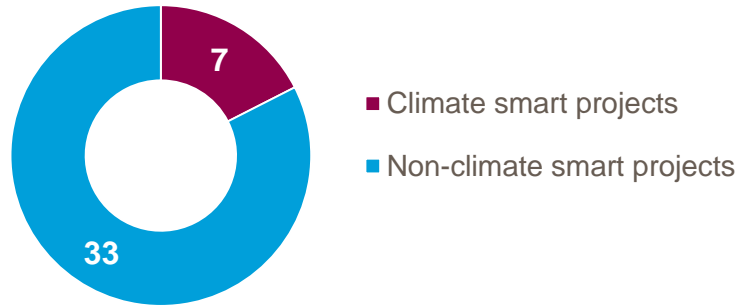
Projects with a focus on women (more than 50% of BOP beneficiaries)

Project	Country	Focus on women
JITA	Bangladesh	Rural distribution
Pabna Meat	Bangladesh	Value chain / cattle
PRAN	Bangladesh	Value chain / cassava
<i>Food producer **</i>	Bangladesh	Nutrition
Shiblee	Bangladesh	Fish farming
Afri-nut	Malawi	Value chain / groundnut
Universal	Malawi	Value chain / cassava
Microloan	Malawi	Micro-credit for farming
O-Gas	Nigeria	Cookstoves

Focus on the environment, 'climate smart' projects



Projects that are be classified as 'climate smart' (N=40)



Example projects

Waterlife/Bosch - India

In partnership with Bosch, Waterlife is seeking to develop an inclusive business project based on sound water management. The objective of this project is to develop an end-to-end system for water management. As affordable clean drinking water in India is scarce due to the high cost of filtration, by 2050, water availability is expected to drop by about 44%. Waterlife have therefore identified a significant opportunity to develop a new technology solution to supply affordable drinking water to low-income communities.

ERAS - Bangladesh

ERAS aims to create viable private sector supply chains that give smallholders access to affordable and effective soil testing services. The Environmental Research and Analytical Service (ERAS) aims to provide low-cost materials (start-up laboratory kits and chemical reagents), knowledge and support (training and long-term advisory) for local entrepreneurs to develop soil testing businesses in rural areas.

List of 'climate smart' projects

Project	Country
ERAS	Bangladesh
Waterlife / Bosch	India
Azure Power	India
MEGA	Malawi
Malawi Mangoes	Malawi
O-Gas	Nigeria
CEC	Zambia

Section 4

Inclusive business implementation process

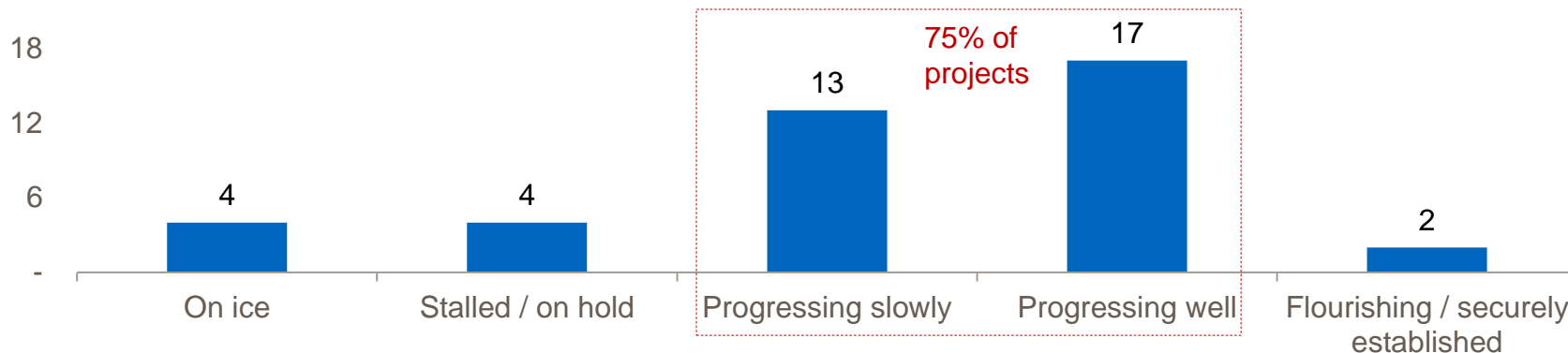
What common constraints and challenges are being faced? What phase of development are projects in – early design or reaching significant scale? Have phases changed over the lifetime of BIF? This section looks at

- Project progress
- Project maturity
- Partnerships
- Common challenges and constraints



Assessment of project progress

Project progress by BIF team assessment (N=40)

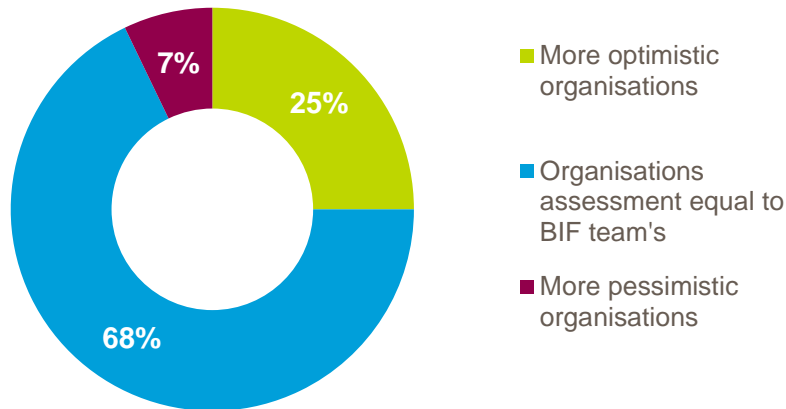


Category	Example project
Flourishing	JITA already reaches some thousands of low – income people, turnover is in the hundreds of thousands, and it is reaching break even ahead of schedule.
Progressing well	After initial delay in the first season, Malawi Mangoes has now secured first round investment, the processing plant is being completed, first mangoes will be harvested this year, and further expansion is underway.
Progressing slowly	One Family Health is planning to roll out Child and Family Wellness Clinics in Zambia. A great many obstacles have had to be tackled along the way to get ready for implementation.
Stalled	After exploring options for Tata Tannery’s sustainable leather sourcing initiative, it is not clear that the feasibility and benefits of intervention are strong enough.
On ice	Microventures plan to develop market linkages was cancelled after initial problems in the concept coincided with a gap in staffing.

Assessment of project progress



Project progress optimism level (N=27)



The 'optimism level' is the difference between the project progress reported by the organisations themselves and the progress that has been assessed by the BIF team

- For 68% of all organisations, the perception of the progress of their project is in line with the assessment made by the BIF team
- There is, however, a larger number of organisations that are optimistic (25%) rather than pessimistic (7%) about the progress of their project
- There is no visible pattern around the optimism level. Optimism and pessimism is not driven by the business model (core-IB vs diversifying-into-IB), nor by the project progress or maturity (blueprint and design, implementation etc...)



Assessment of Project Maturity

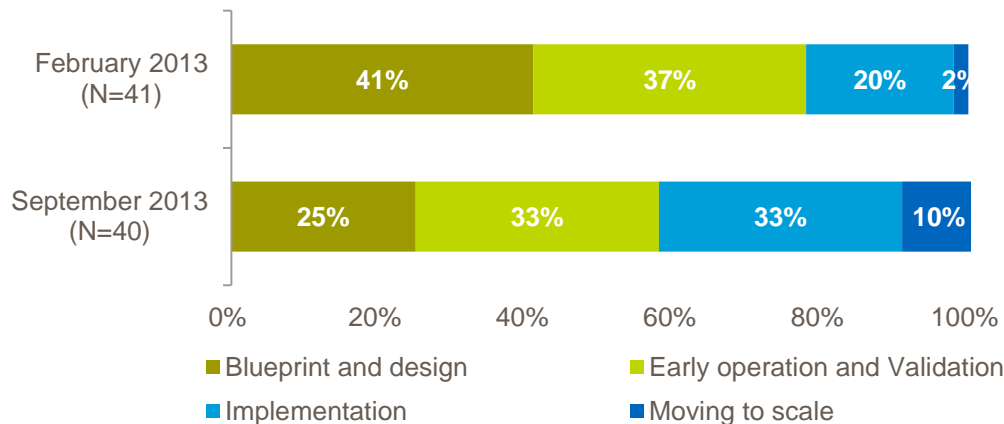
Building on work done by Acumen and Monitor* we differentiate four different phases of development or maturity:

1. Blueprint and design
2. Early operation
3. Implementation
4. Moving to scale

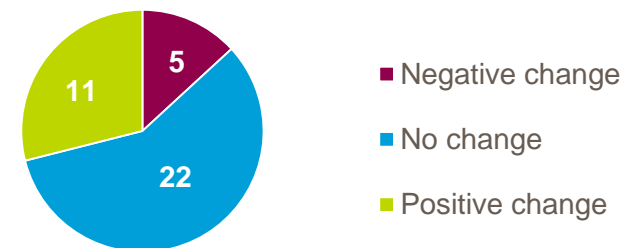
It is important to bear in mind that in some cases the company itself may be well established, but the categorisation applies to the specific inclusive business project that is supported.

We have assessed project maturity levels** at three milestones during the BIF pilot. At the first milestone in June 2012, assessment was mainly driven by self categorisation of companies at baseline which explains the high share of projects 'moving to scale' in June 2012. When looking at the last two assessments (February and September 2013) we can see an overall tendency of increasing maturity, and as of September 2013, the majority of projects (66%) are in the operational phases.

BIF project maturity index (N = various)



Project maturity change from February 2013 to September 2013 (N=38)



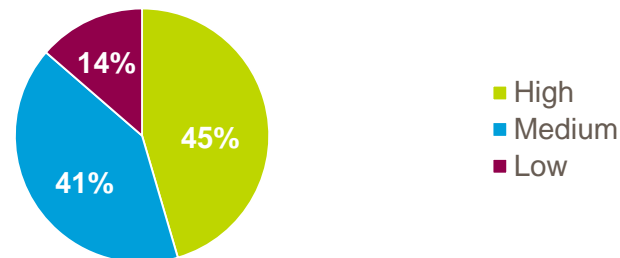
* Concept note entitled: "Building markets for impact at scale" a research proposal being part funded by DFID, April 2013.

** The assessment of the project's maturity has been made by BIF's central M&E team at the milestones: June 2012, February 2013 and September 2013

How important are partnerships to the inclusive business? How has BIF helped?



Impact that the collaboration with BIF has had on new partnerships (N=22)*



* We were able to collect data from 22 organisations on this specific benefit

- When carrying out the baseline assessment, businesses were asked to rate their expectations on various benefits that the collaboration with BIF could bring. The same information was then collected at Progress Report to understand the impact that BIF had in practice
- Out of 11 benefit categories, 'New partnerships' ranks 4th in terms of BIF contribution, with 45% of businesses saying that BIF had an impact higher than expected

- Partnerships can also be viewed as a significant obstacle to the success of the inclusive business. This is especially true for partnerships with the government (this can be either the local or central government)
- Two of the companies that have indicated that BIF has improved their partnerships with the government are: Universal (Malawi) and ERAS (Bangladesh)

Challenge / constraint to the success of the Inclusive Business	Number of organisations that identified this as a challenge at Baseline (N=40)	How this challenge ranks in terms of importance, out of 17 categories	Proportions of organisations that believe that BIF has made an impact on this challenge / constraint **
Need partnerships with government	12	3/17	44%
Need new or better partnerships with others	10	7/17	60%

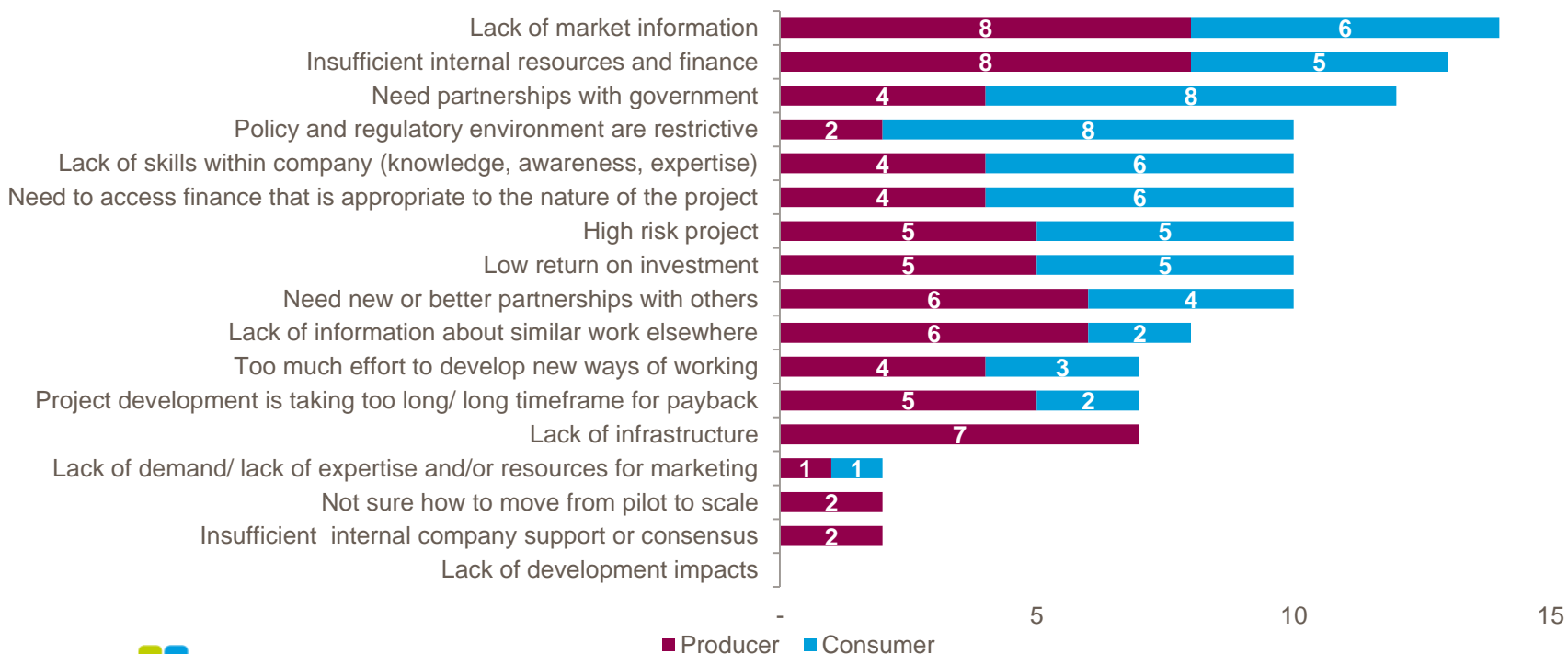
Common challenges and constraints identified at baseline



During our baseline assessment, companies were asked to indicate their top challenges from a drop down list (but could also add other constraints not listed)

- A wide variety of challenges were identified
- In general, challenges do not seem to be dependent on the BOP focus of the projects but we can see some divergence:
- The **policy and regulatory environment** is a challenge almost exclusively identified by consumer focused projects
- **Lack of infrastructure** on the other hand has only been identified as a key challenge by producer focused projects

Challenges of the Inclusive Business identified at Baseline, by BOP focus (N=40)



Evolution of top challenges over the lifetime of BIF



Top 10 challenges identified at baseline and % of projects rating them 'high' at Progress Report (N=28)



At Progress Report, companies were asked to update the importance of their top challenges, and report if BIF had made a difference to addressing it

The bars on the left show the percentage of projects that have rated the challenge as 'high' (high indicates challenge is still very relevant)

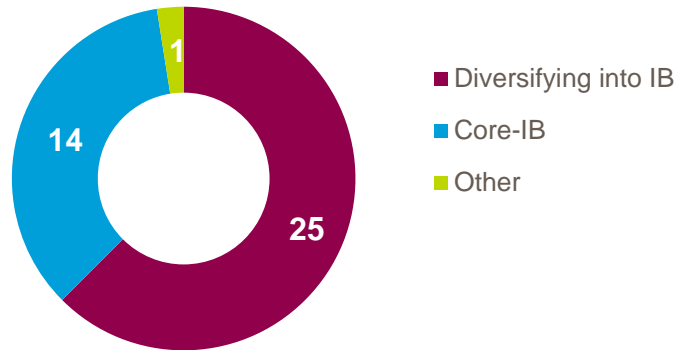
Challenges have been ordered by most popular at baseline (the highest being at the top)

- **The policy and the regulatory environment, and the risk of the project** are the two challenges that are still the most relevant at Progress Report
- BIF has had the strongest impact at addressing the **risk of the projects, the lack of skills within the company, the lack of market information**
- The **low return on investment** is the challenge for which BIF's support has made the least difference

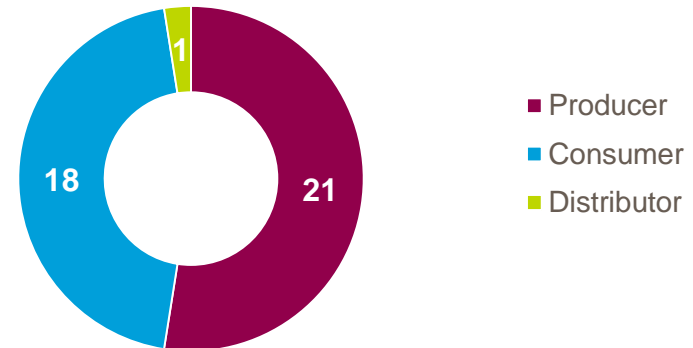
Summarising some key characteristics of the portfolio of long projects



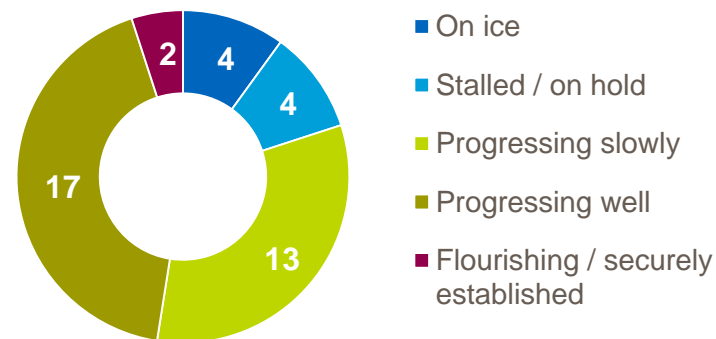
Portfolio Breakdown of type of project (N=40)



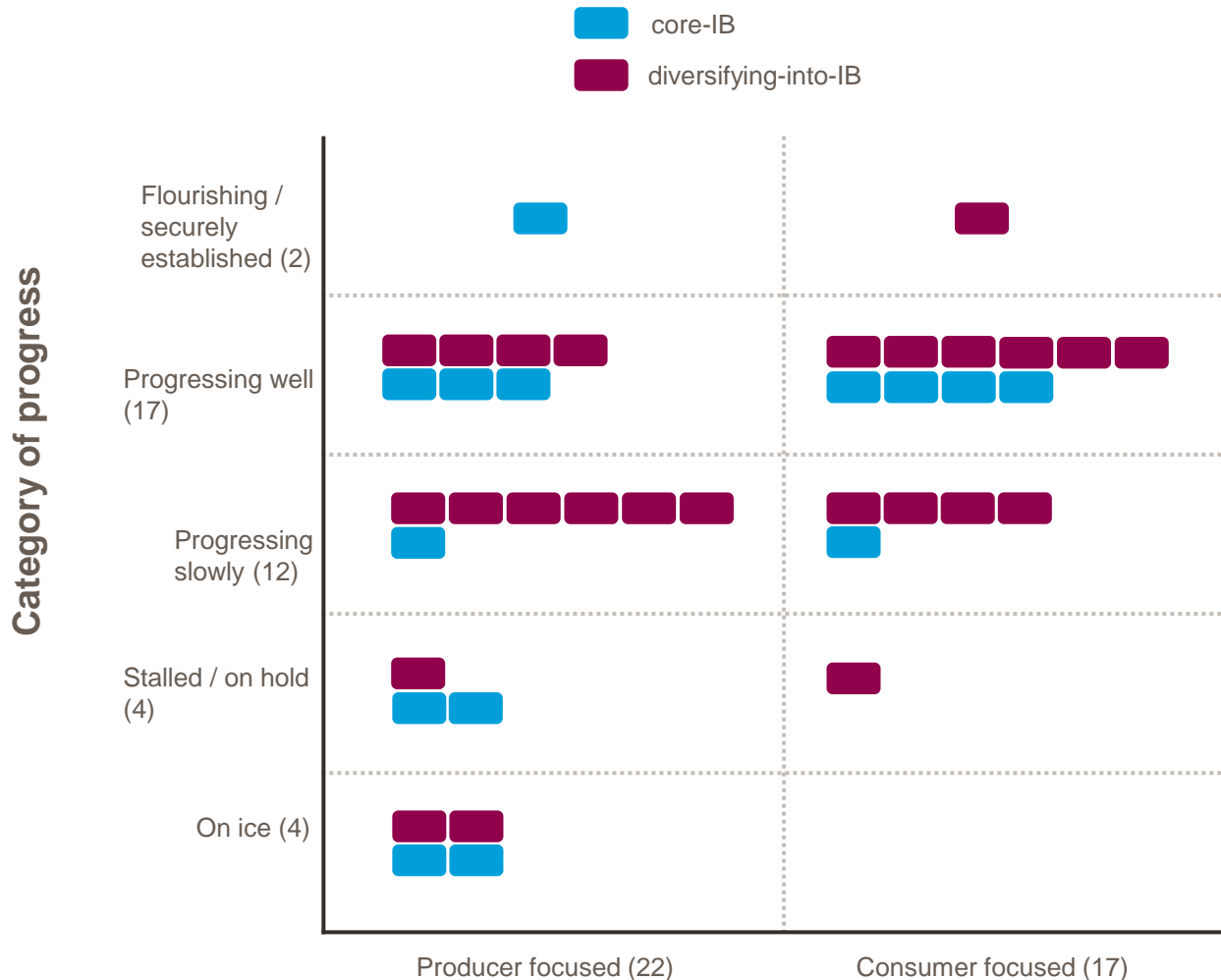
Portfolio breakdown by primary beneficiary type (N=40)



Portfolio breakdown by status of IB project in September 2013 (N=40)



Is there a relationship between project progress, the BoP primary focus and the IB model?



- The matrix doesn't show a strong relationship between the IB model (core-IB vs diversifying-into-IB) and the progress of the projects
- There is, however, a significant relationship between the progress of the projects and the BoP focus
- 7 out of 8 projects that are currently on ice or on hold are producer focused projects
- All consumer focused projects are progressing except for one which is currently on hold.

For the purpose of this graph, two changes have been made to the categorisation of the projects:

- JITA, the only distributor-focused project, has been classified as producer.
- The only project that cannot be categorised as either core-IB, nor diversifying-into-IB has been omitted from this graph

For these reasons, the totals in the matrix do not necessarily add up to the totals in the previous graph

Section 5

Commercial results

In this section we look at

1. Commercial drivers of projects and to what extent companies feel they are on track to achieve them
2. Financial data: turnover figures collected from long projects
3. Types and levels of investment
4. Assessments of a project's perceived likelihood to reach commercial viability

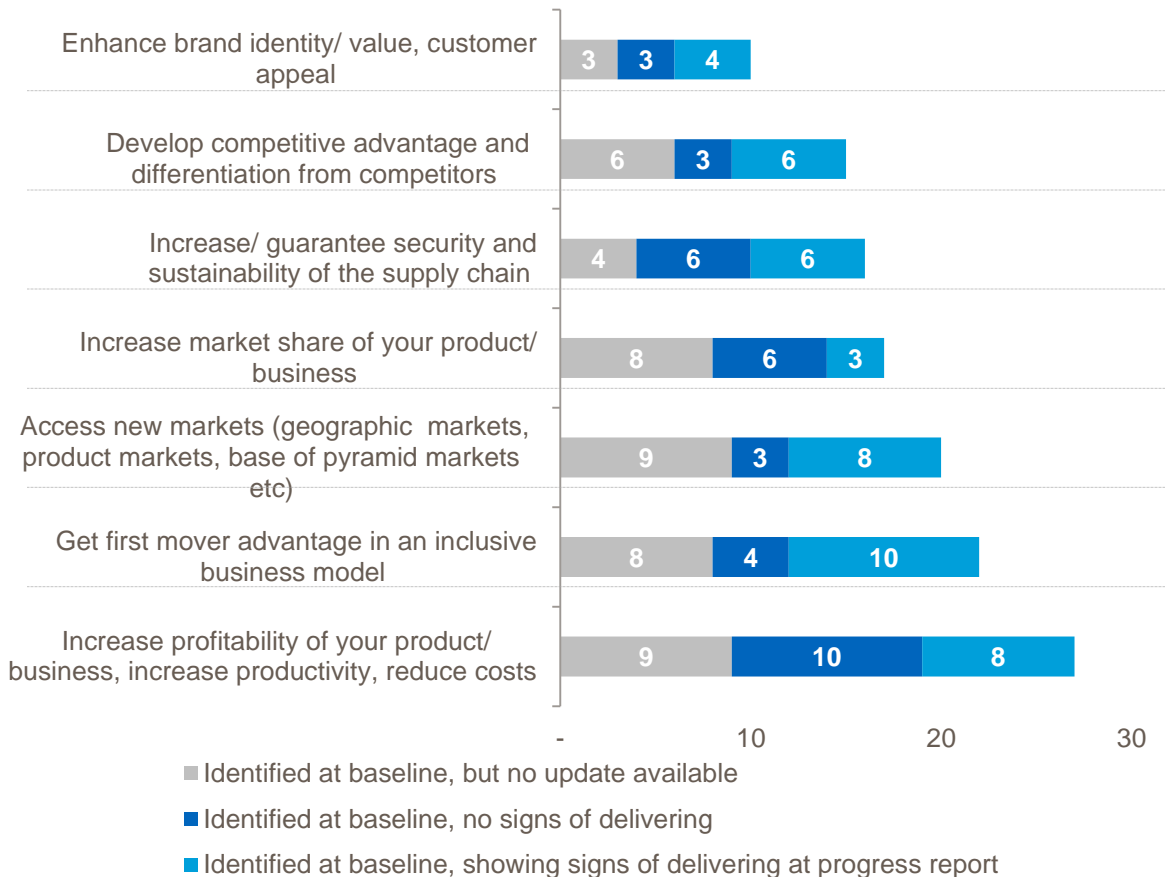
Commercial drivers



What are the most common commercial drivers? Are projects on track to achieve them?



Main commercial drivers for long projects identified at baseline, and progress made (N=40)**

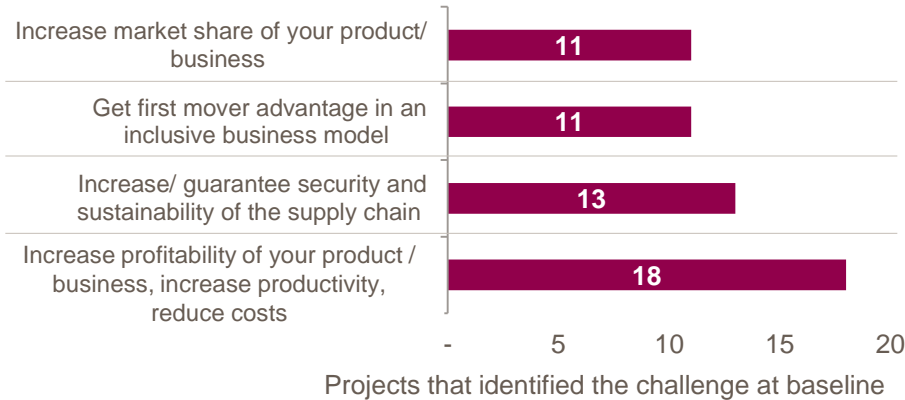


- 67.5% of long projects have identified “**Increasing profitability**” as one of their main commercial drivers at baseline
- So far, 44% of projects (8 out of 18) are showing signs of delivery for this driver *
- The drivers delivered most successfully so far are ‘**accessing new markets**’ and ‘**Getting first mover advantage**’. For these, 70% of projects are reporting signs of delivery at progress report

Do commercial drivers differ between producer and consumer focused projects?

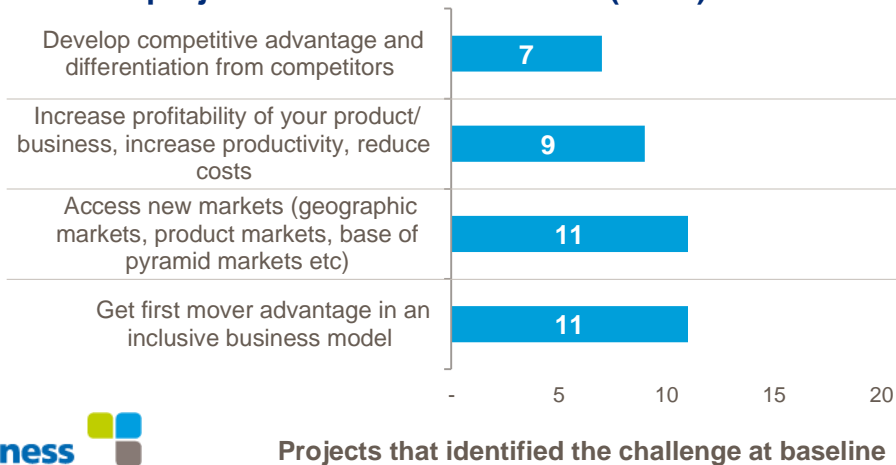


Four most popular commercial drivers for producer & supplier focused projects identified at Baseline (N=21)



- Increase of profitability / productivity of the product and inclusive business has been identified as important at Baseline by **85%** (18 projects out of 21) of all producer focused projects

Four most popular commercial drivers for consumer focused projects identified at Baseline (N=18)

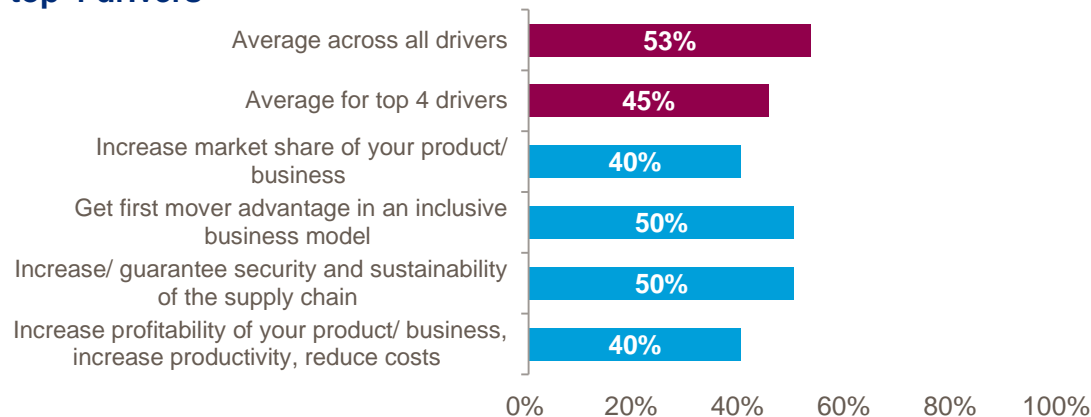


- Consumer focused projects have identified a wider range of drivers.
- **Access to new markets** and **getting first mover advantage** are the two most popular ones, with **61%** of consumer focused projects identifying them as important at Baseline

Which commercial drivers are showing signs of delivery at progress report?

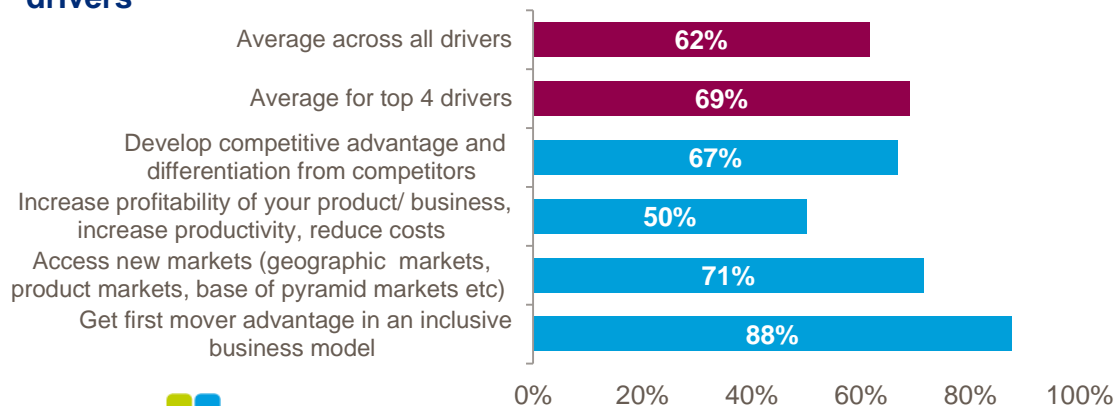


Producer & supplier focused projects showing signs of delivering the top 4 drivers



- 45% of producer focused projects and 69% of consumer focused projects are showing signs of delivering their four most important drivers at progress report
- Producer focused projects are therefore showing **slower** signs of delivering their key drivers at progress report

Consumer focused projects showing signs of delivering the top 4 drivers



- For consumer projects, signs of delivery are particularly strong for **'getting first mover advantage in an inclusive business model'**, for which 88% of projects are already showing some signs of delivery at progress report.
- **'Increase profitability'** is the driver of consumer focused projects showing the slowest progress (50%)

Financial data





Financial analysis

The key questions that we are aiming to answer in this section are the following:

What was the financial performance of the projects at Year 0?

How is this performance expected to evolve during the first year?

Were estimates for year 1 in line with actuals?

What are the projections for the next 5 years?

Throughout our M&E data collection, organisations were asked at each M&E milestone to provide **estimates** and / or **actuals**, where available, on their financial performance, and to project these up to 5 years into the future from the moment that BIF's intervention began (which we refer to as Year 0). This has allowed us to compare how the financial performance that organisations have realised differs from what was previously estimated.

It has only been possible to carry out this type of analysis for a small sample of our long projects that have completed a Progress Report or Project Update form and have also completed their first year of operations.

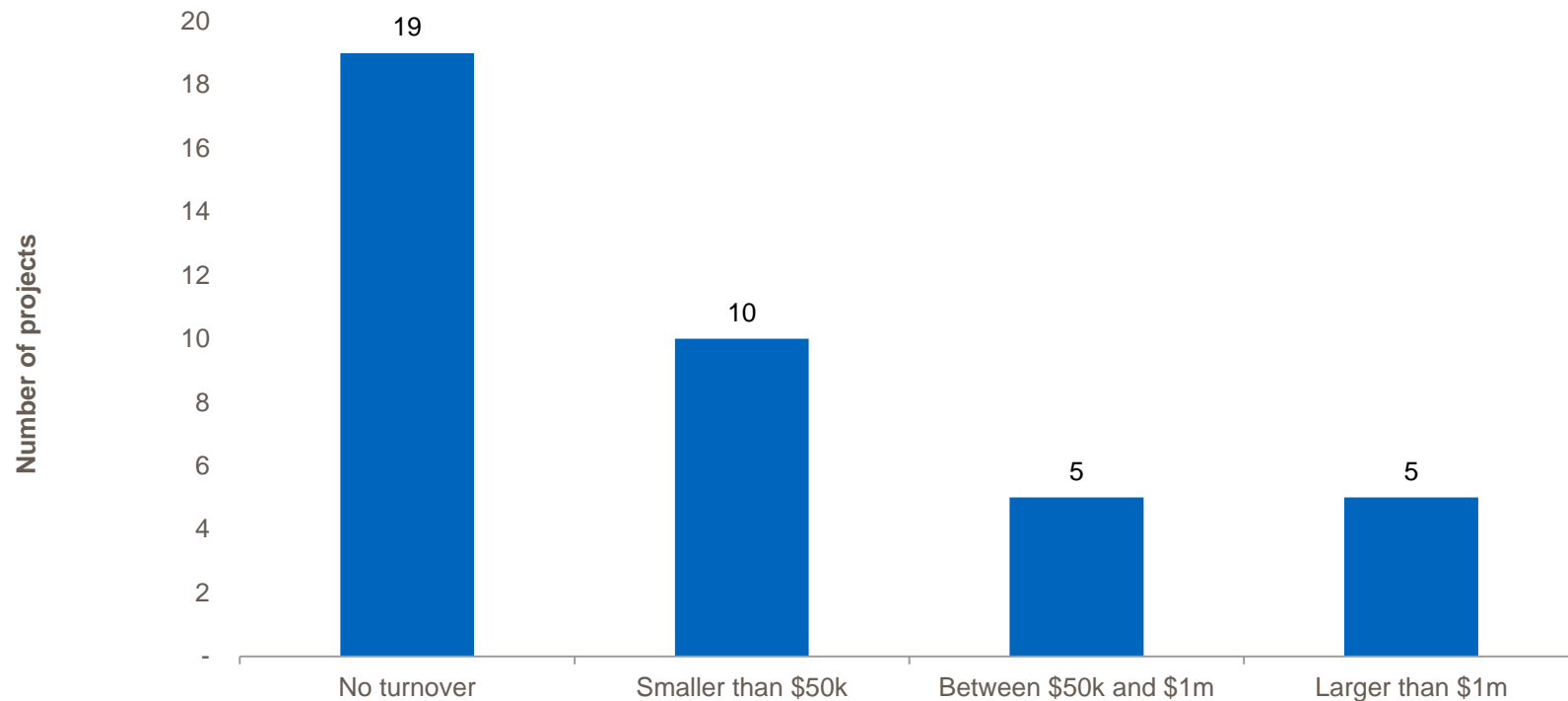
Most of our analysis in this section is focused on turnover, the indicator for which we have the most data available



Turnover – what was the situation at year 0?

The total turnover for the whole portfolio in year 0 is around **\$806,500,000**

Turnover of large projects at Year 0 , including outliers (N=39)



The data presented in this slide is the turnover of the inclusive business in year 0, and is a mix of estimated figures and actuals. It includes all organisations, including outliers.

These figures are a mix of actuals and estimates. Estimated turnover figures are likely to be higher than reality because of the natural optimism of some of the organisations

Some of the organisations included in this chart have not been able to differentiate the operations of their core business from the inclusive business. These have been removed from later analysis (see following slide)



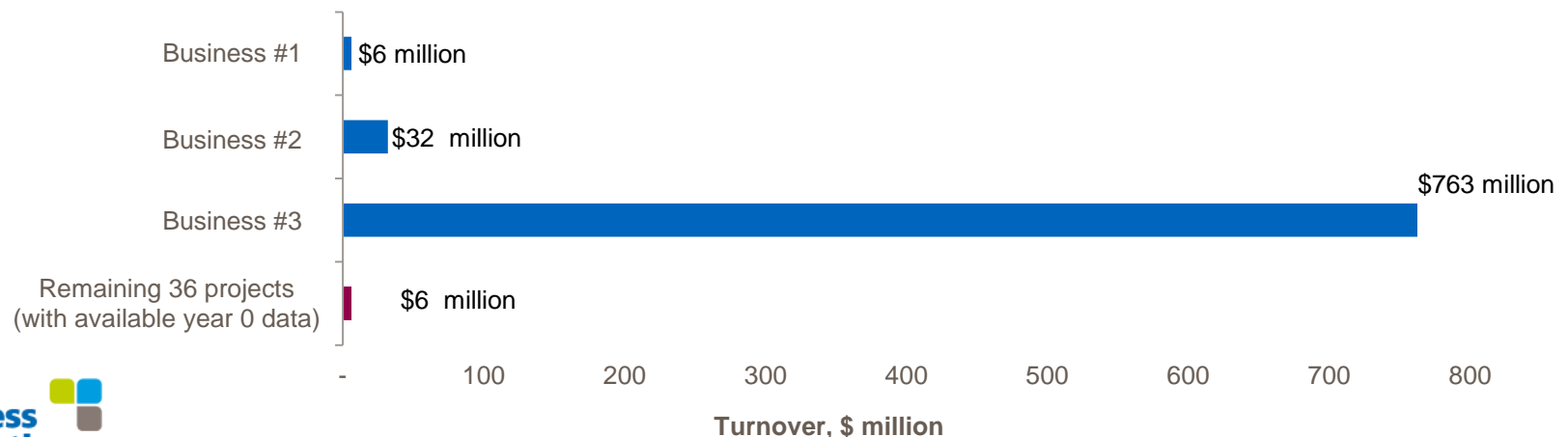
Turnover – what are the data outliers?

It is important to note that data on turnover is heavily skewed by three consumer focused projects (see graph below comparing these three projects with the remaining portfolio combined). In the subsequent analysis we have removed these outliers.

Normally we try to base financial analysis on the inclusive business venture only, however in some cases (particular for large companies) this is tricky:

- In one example, it was impossible to isolate the returns originating from sorghum based products (i.e. brewed products like beer) from the rest of the organisation. Given that the project aims to change the company's overall sourcing strategy, this was the closest proxy that seemed appropriate at the time of baseline.
- Similarly, **a large retailer** was unable differentiate the inclusive business financial data from the whole organisation's, and has reported financials that are not representative of the Inclusive Business.
- In addition, **another organisation** has also been removed from the aggregation analysis because of its large size – its turnover at year 0 of \$6m is as large as the other 36 projects combined

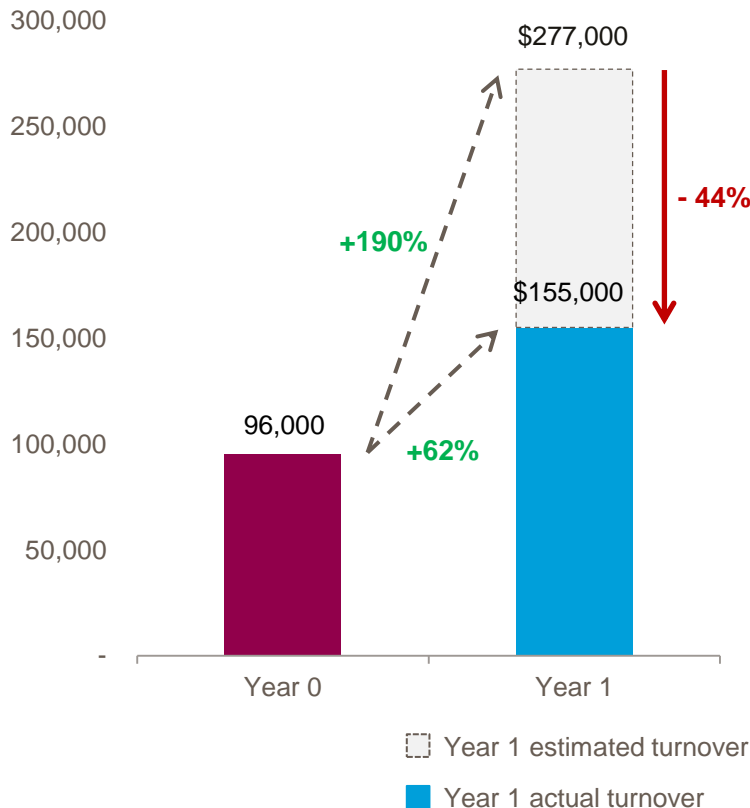
Comparison of Turnover at baseline (\$) of outliers vs the rest of the portfolio of large projects



Turnover – turnover growth from year 0 to year 1, actuals against estimates



Growth in turnover per business, Year 0 to Year 1, estimated and actual, \$ pa (N=18)



- Actual turnover growth from year 0 to year 1 has been of **62%**
- The estimated turnover growth from Year 0 to Year 1 was of **190%**
- Turnover in year 1 has therefore grown **44%** less than what expected

Slower progress has been driven by two factors:

- A natural optimism – even where the business is progressing well, passionate entrepreneurs were expecting faster expansion than was possible in reality
- A slower project progress caused by unexpected obstacles / constraints

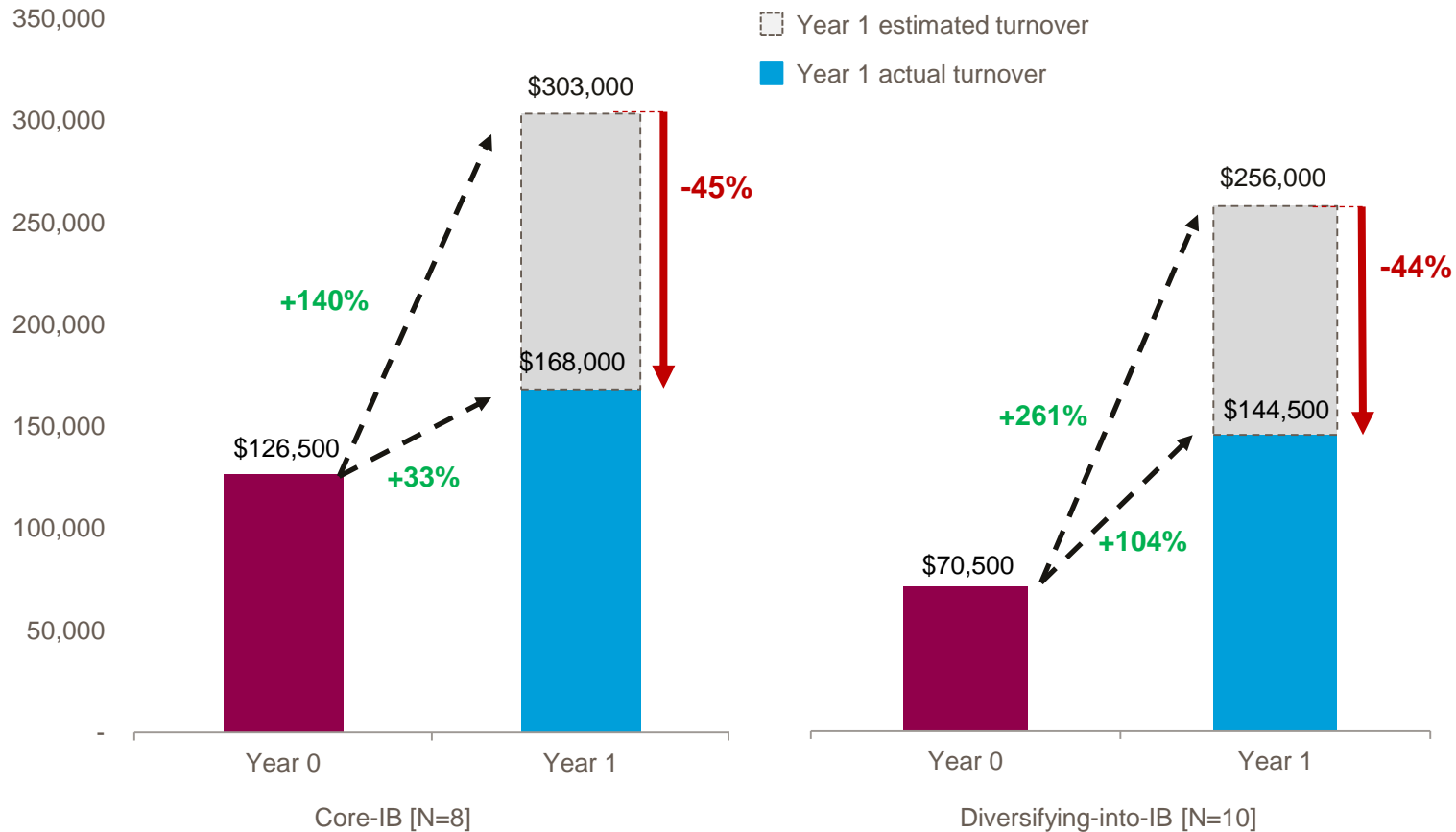
Turnover estimates and actuals in year 0 and year 1 (N=18)

	Year 0 turnover	Year 1 estimated turnover	Estimated increase Y0-Y1	Year 1 actual turnover	Actual increase Y0-Y1
Total TO (\$)	1,722,000	4,990,000	3,267,000	2,790,000	1,070,000
Average TO (\$)	96,000	277,000	180,500	155,000	59,500

Turnover – how does estimated and actual growth compare between different IB models?



Average turnover per project (N=18)

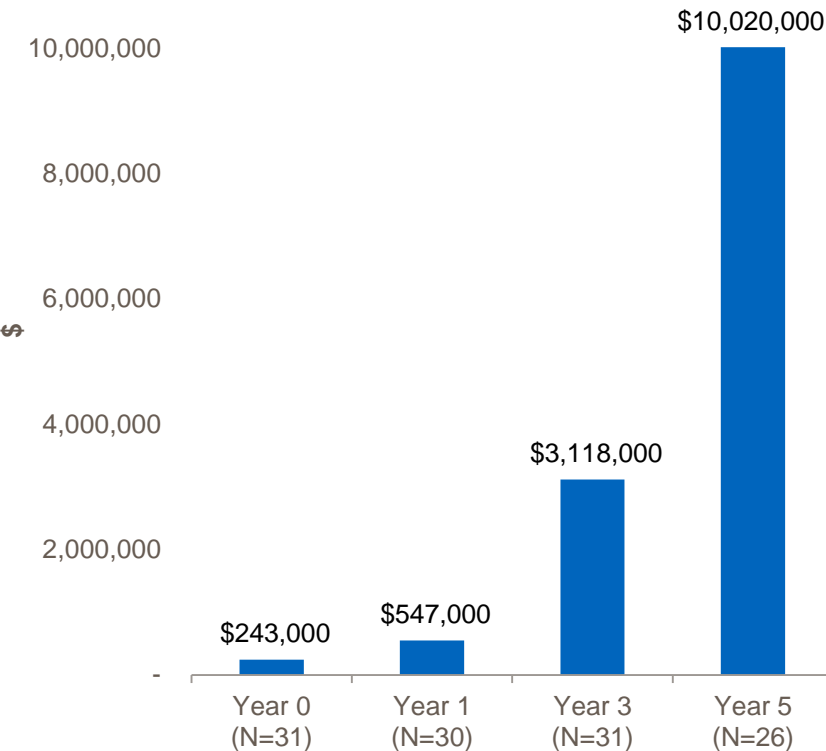


- The analysis excludes outliers and only includes those projects that have reported year 0 turnover figures, and **both** estimates **AND** actuals for year 1.
- The sample used for this analysis is made of projects of different types and sizes and is fairly small (18 out of 40 projects). Although the figures are not a fair representation of the full portfolio, the trend is likely to be applicable to the majority of the businesses in the portfolio.
- Data has been rounded to the closest thousand or 500



Turnover – What are the future projections?

Turnover projections, average per project, \$ (N = various)*



	Year 0	Year 1	Year 2-3	Year 4-5
Number of projects in sample	31	30	31	26
Total TO (\$)	7,545,000	16,415,000	96,645,000	260,000,000
Average TO(\$)	243,000	547,000	3,118,000	10,020,000
Projects with TO>0	15	17	31	26
Average TO (\$)	503,000	965,000	3,118,000	10,020,000

- Data on year 2 was used when estimates for year 3 were not available
- Data on year 4 was used when estimates for year 5 were not available
- Data has been rounded to the closest thousand or 500

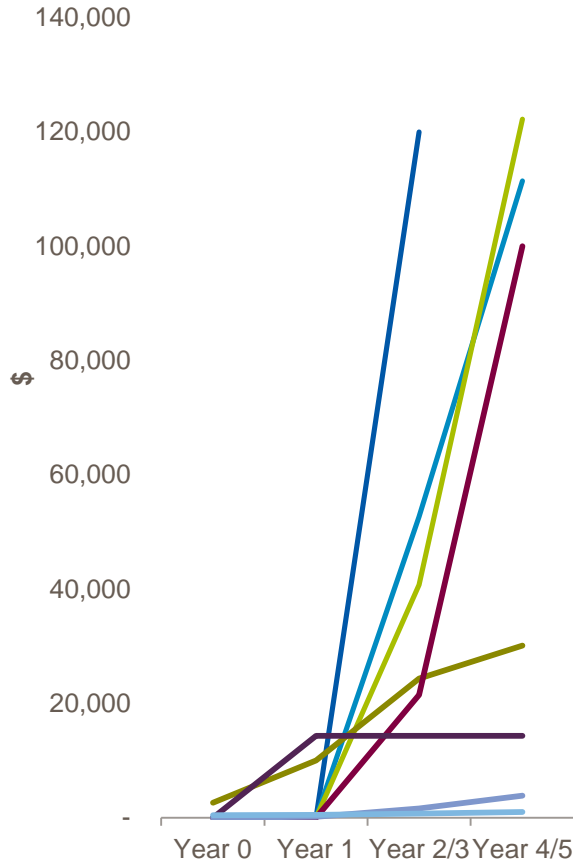
- Out of \$260m of projected turnover in year 5, \$200m is expected to come from 5 particularly large projects
- Half of the inclusive businesses (13 out of 26) are reporting projections for year 5 of less than \$2m

• The data in this slide is made of estimated turnover projections up to 5 years from the beginning of BIF support.
 • As shown in the previous slide, estimated data is likely to be inflated by optimism. The sample used is also fairly small compared to the overall portfolio. All figures should, as a consequence, be used as an indication. The overall trend of high growth is, however, representative of most inclusive businesses

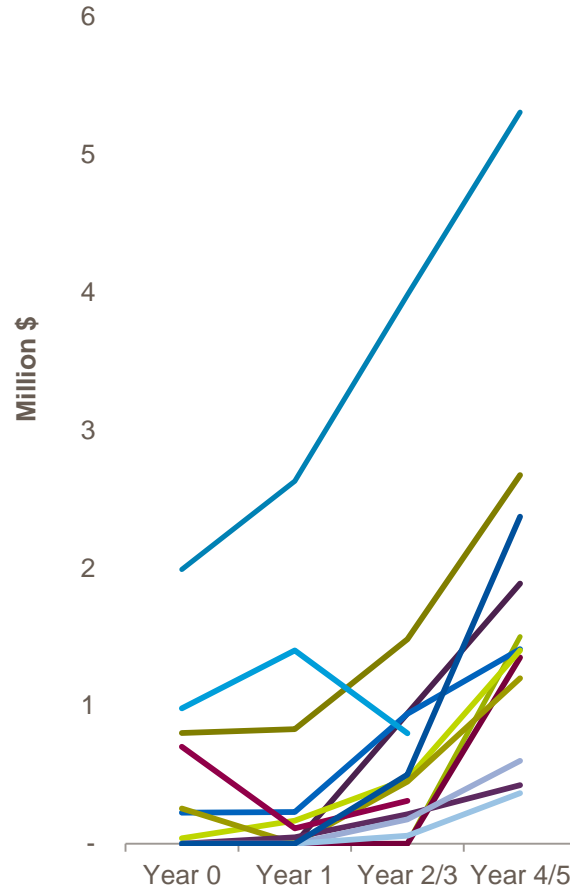
Turnover projections per project



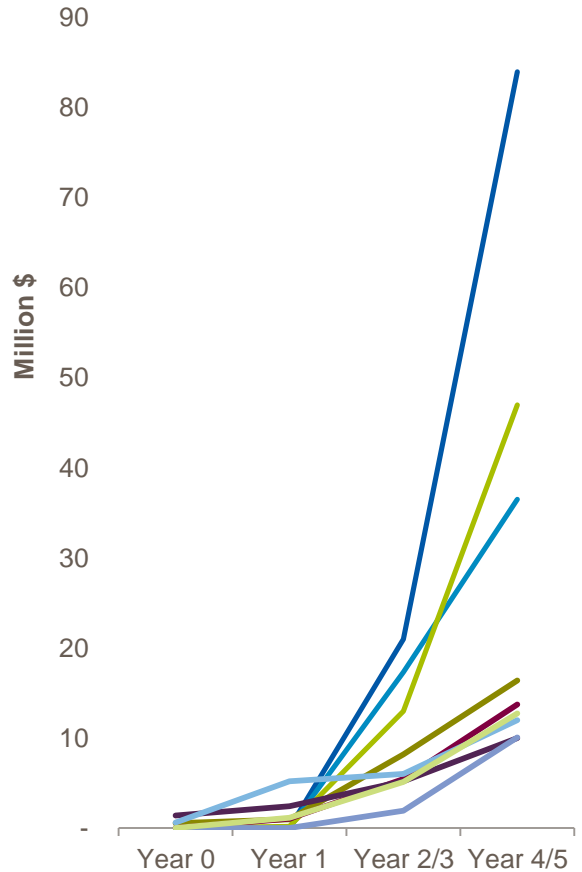
Range: up to \$140,000



Range: up to \$6,000,000



Range: up to \$90,000,000

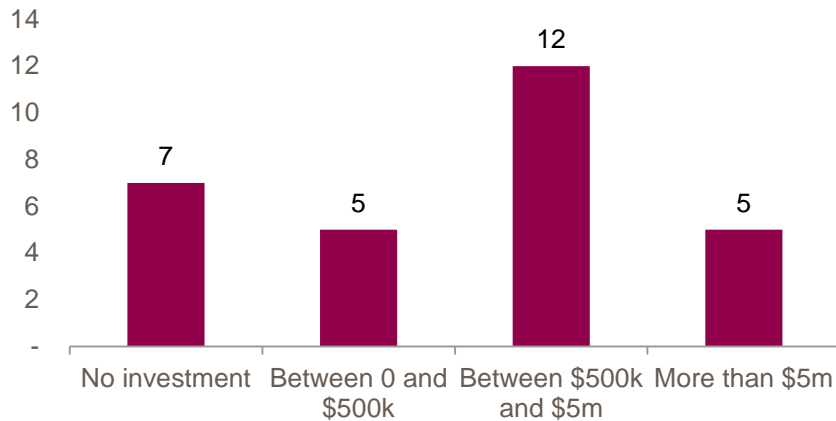


The data in this slide is made of estimated turnover projections up to 5 years from the beginning of BIF support. As shown in the previous slide, estimated data is likely to be inflated by optimism. The sample used is also fairly small compared to the overall portfolio. All figures should, as a consequence, be used as an indication. The overall trend of high growth is, however, representative of most inclusive businesses

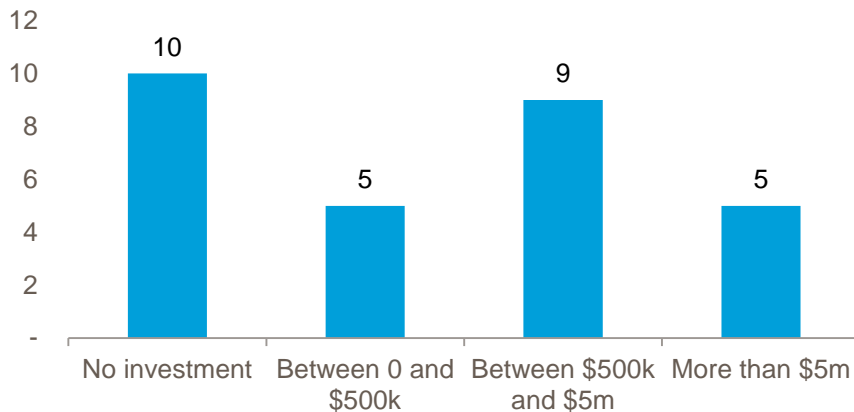
What are the current and planned levels of investment?



Total investment to date (mid 2013), (N=28)



Planned investment over the next few years (as of mid 2013) (N=28)



Levels of investment (N=28)

	Total	Average per project
Total investment to date (\$)	104,323,292	3,597,355
Total investment planned (\$)	70,798,500	2,441,328

Organisations were also asked about their preferred way to obtain financing, and which financial vehicles they were intending to use in the future

- Commercial debt is the preferred financial vehicle out of the BIF projects
- A growing number of projects are looking to use concessional debt and/or equity

How likely is commercial growth?

Some further commercial analysis

To assess the project's likelihood of reaching commercial viability

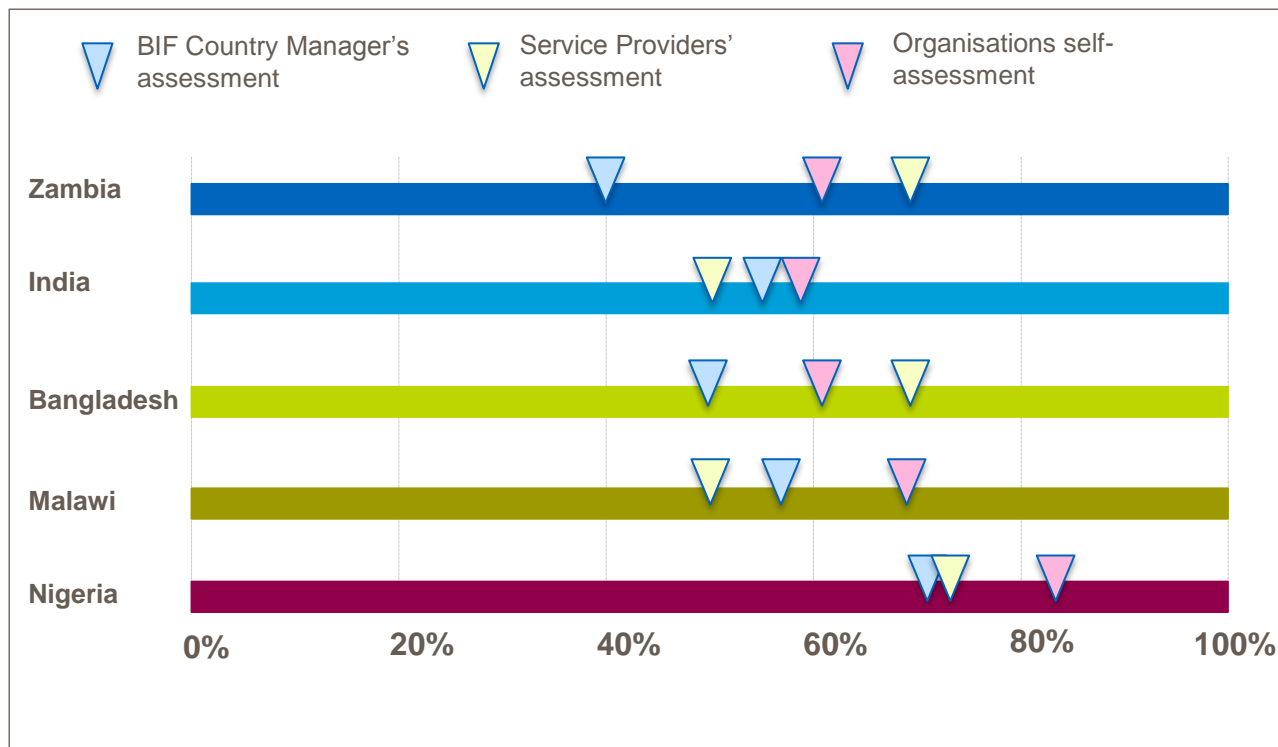


Perception of likelihood to reach commercial viability across different stakeholders



As part of our M&E system we asked the key stakeholders involved in the long projects to rate their likelihood to reach commercial viability within 2-3 years, on a scale from 0 to 100%

All assessments are based on latest available data, however, most of the feedback was received in June-September 2013. The graph below shows the average that the projects have scored in each country.

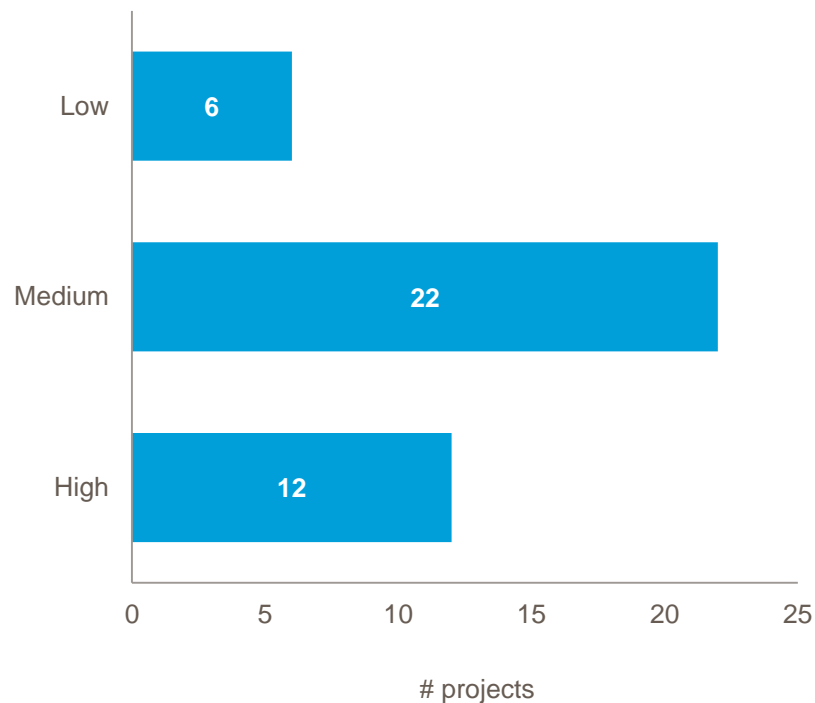


- Likelihood is generally high, most scores are above 50%
- Businesses tend to be more optimistic about the likelihood of their own project to reach commercial viability than external parties, such as the BIF Country Manager and the technical assistance service providers
- At present, **Nigerian** projects have the highest reported likelihood of reaching commercial viability
- **Zambian** and **Indian** projects on the other hand seem to be the least likely to reach commercial viability

BIF Commercial Viability Index



Project scoring BIF commercial viability index Sep 2013 (N=40)



In addition to people's assessments of commercial viability likelihoods (see page 51), we have created our own index to measure the commercial viability of the Inclusive Business

We refer to it as the **BIF Commercial Viability Index**, which is an index based on a range of six different indicators:

1. Does the business have a business plan?
2. Has the project reached breakeven?
3. What is our assessment of the likelihood to reach commercial viability?
4. Is there evidence of strong leadership?
5. Is it on track against identified targets?
6. Do they have access to external leverage?

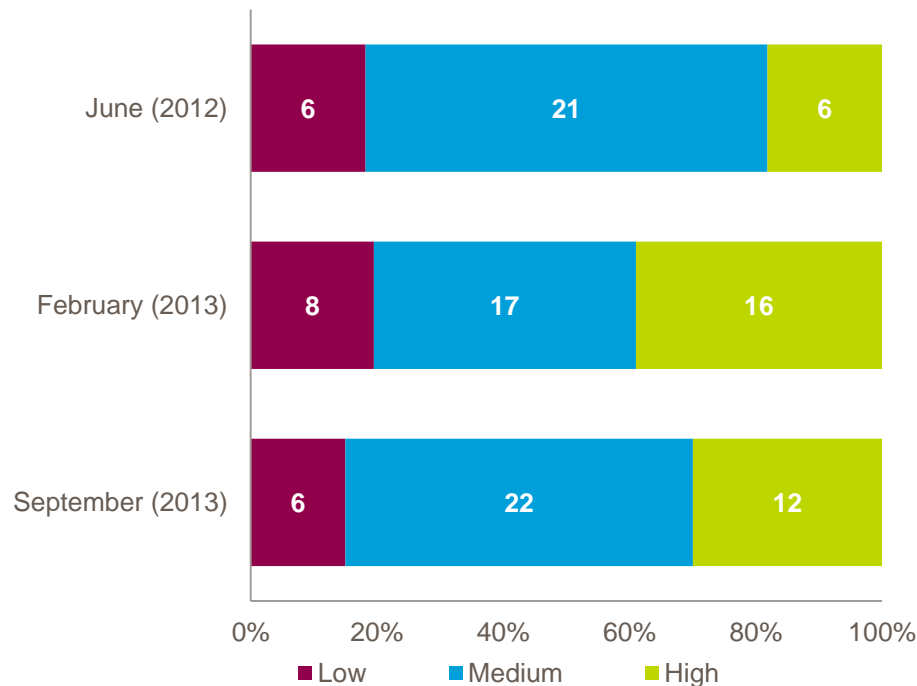
As of Sept 2013, over half of the projects score medium. The following pages explore how scores have changed over the lifetime of BIF.

Evolution of the commercial viability index over the lifetime of BIF



The assessment over time does not show any significant changes. When comparing scores between February 2013 and September 2013, we can see that the majority of projects has remained in the same overall category, roughly a quarter has gone down and a fifth of projects score higher than before

Commercial viability index June 2012 (N=30), February 2013 (N=41) and September 2013 (N=40)



Change in Commercial Viability Index (N = 39) *

Change in scores (Feb 2013 to Sept 2013)	# projects	%
Higher	8	21
Same	21	53
Lower	10	26

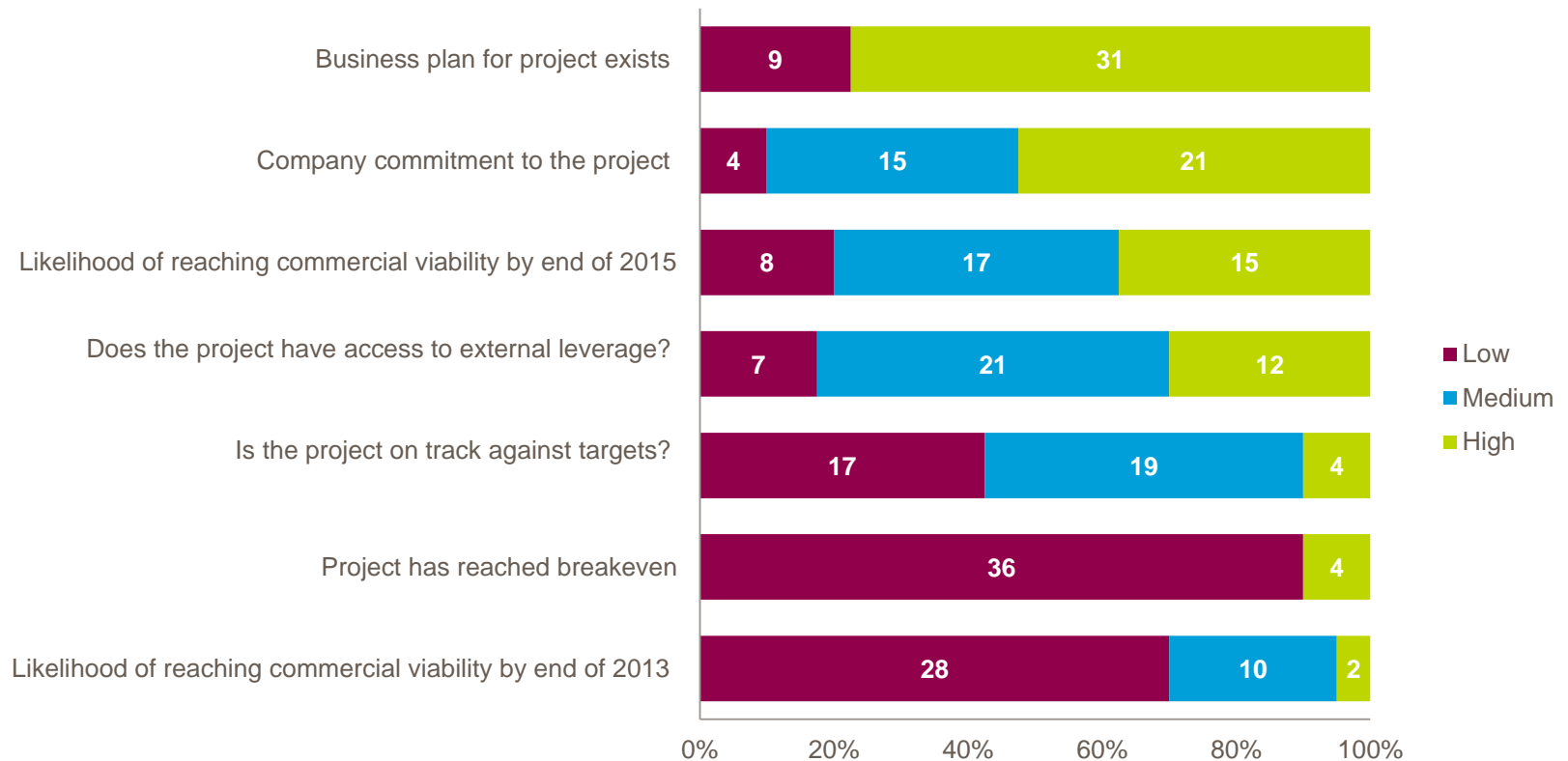
* N = 39 , an additional project in Nigeria was added to the portfolio in June 2013

Commercial Viability Index criteria, September 2013



The existence of a business plan and the likelihood to reach commercial viability are the two indicators that score the highest in our Commercial Viability Index

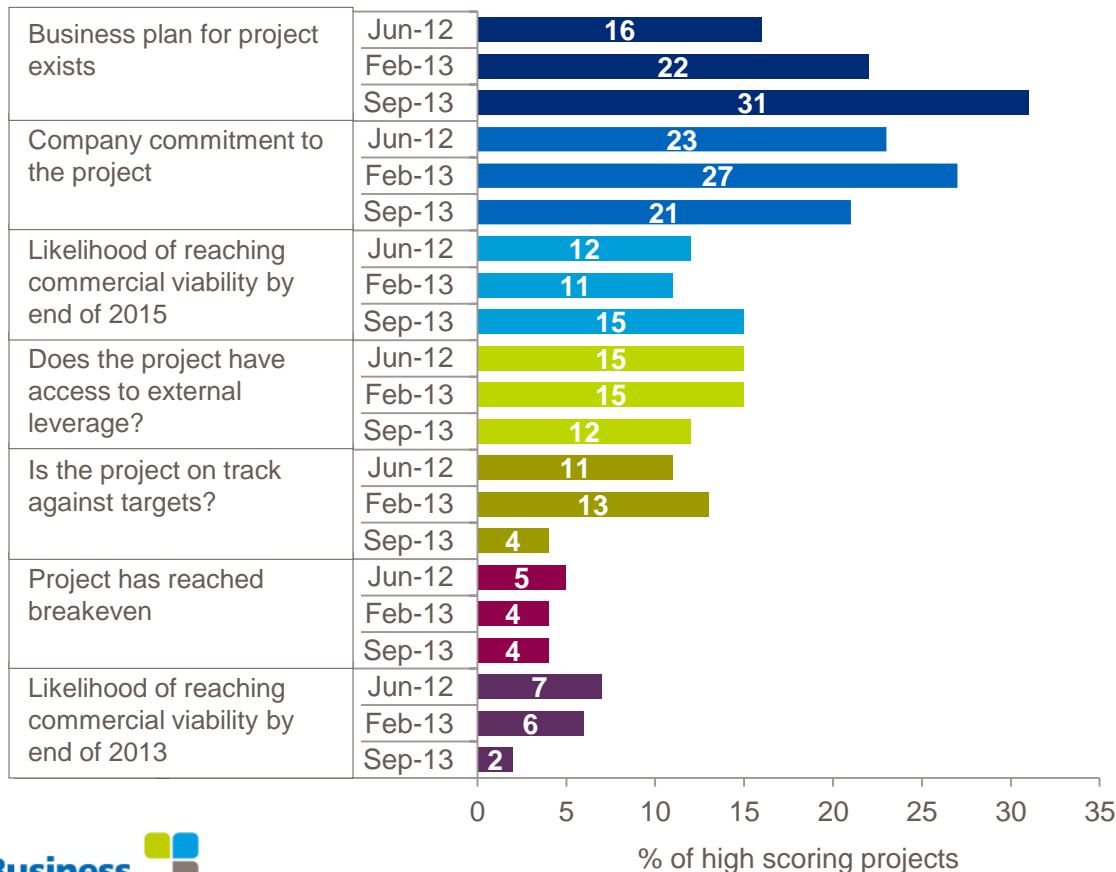
Projects Scoring against commercial criteria September 2013 (N=40)



Commercial criteria comparison over time



Projects scoring against commercial criteria June 2012 (N=30), February 2013 (N=41) and September 2013 (N=40)



- At the latest available assessment (September 2013), there is a growing proportion of projects that score high on having a business plan in place
- All other indicators have not experienced a substantial change in the proportion of projects scoring 'high'

Section 6

Development impacts

In this section we look at

1. Households reached at the BoP: figures collected from long projects
2. Assessments of a project's perceived likelihood to going to scale, reaching thousands of households at the BoP



Understanding development results

The key questions that we are analysing in this section are the following:

- *What was the BoP reach of the projects at Year 0?*
- *Were estimates for year 1 in line with actuals?*
- *What are the projections for the next 5 years?*
- *How can we calculate realistic projections, given that estimates tend to be inflated by optimism?*

Our analysis

Similar to the way the financial data was collected, organisations were asked to provide either estimates or actuals on their BoP reach, and to project these up to 5 years into the future from the moment that BIF's intervention began (which we refer to as Year 0). This has then allowed us to compare how the BoP reach that has been realised differs from the initial estimates.

Our approach to measuring BoP reach

The inclusive business projects do not have one single type of development impact. As part of our results measurement approach in BIF we look at:

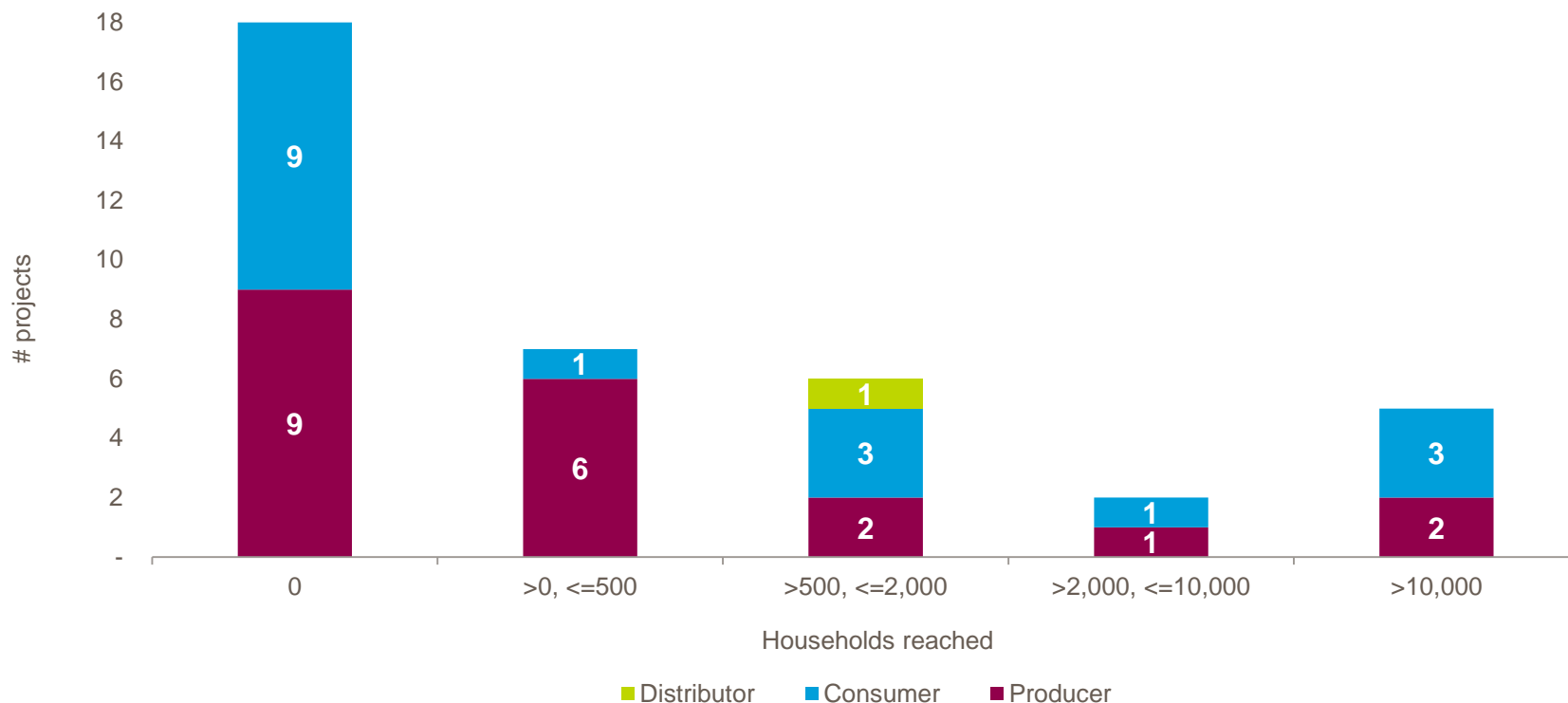
- **Reach to Base of Pyramid (BOP)** – the number of low income people reached. In this regard, it is important to distinguish between low-income producers and entrepreneurs (who gain livelihoods and income) and low-income consumers (who gain access to goods and services). Inclusive businesses tend to reach *many* more consumers than producers, so these totals cannot just be summed together.
- The **significance of the project to a low-income person**, not just total numbers matters, though is subjective.
- Estimating growth in BOP reach is important. But difficult, as projects are at different stages, a few have large numbers, and not all have estimates. Figures are unreliable and comparisons worse.
- Other development results are also considered, particularly likelihood of replication, of systemic impact,



What was the expected BoP reach in year 0?

- At Baseline, 18 out of 38 projects* estimated that no BoP households would be reached in year 0
- Five projects expected to reach more than 10,000 households in year 0. Of these, two had a producer focus
- In our analysis we are only looking at primary BoP reach

BoP households reach for year 0 reported during baseline assessment, by primary BoP focus (N=38)



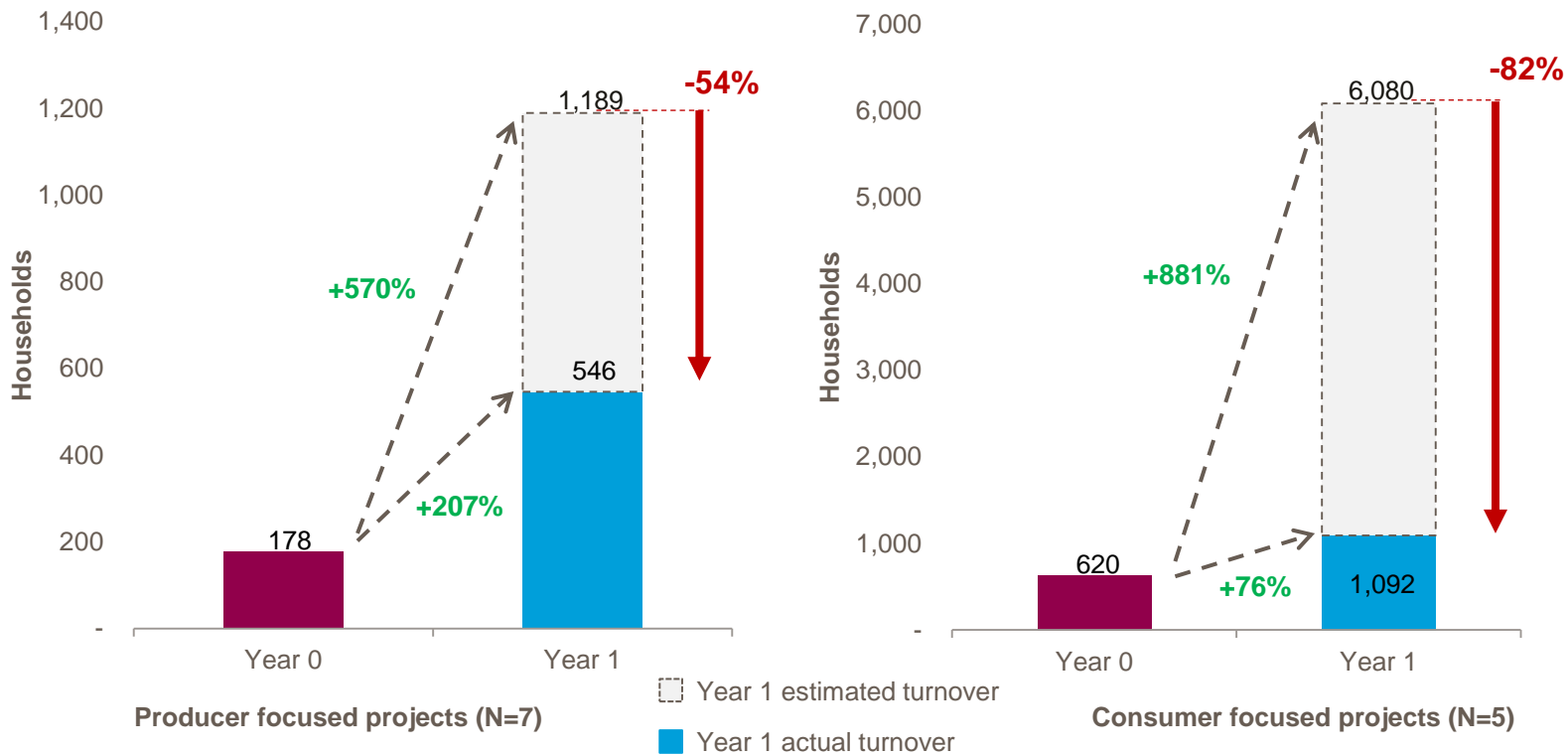
*It has not been possible to collect any BoP data for two projects

This slide looks at the BoP reach of the projects in year 0. Some projects have reported actual figures for year 0, while some others have estimated their BoP reach. Results should therefore be taken as an indication of the overall reach as estimates are likely to be driven by optimism and are too high as a consequence

Growth of BoP reach from year 0 to year 1, actuals vs estimates



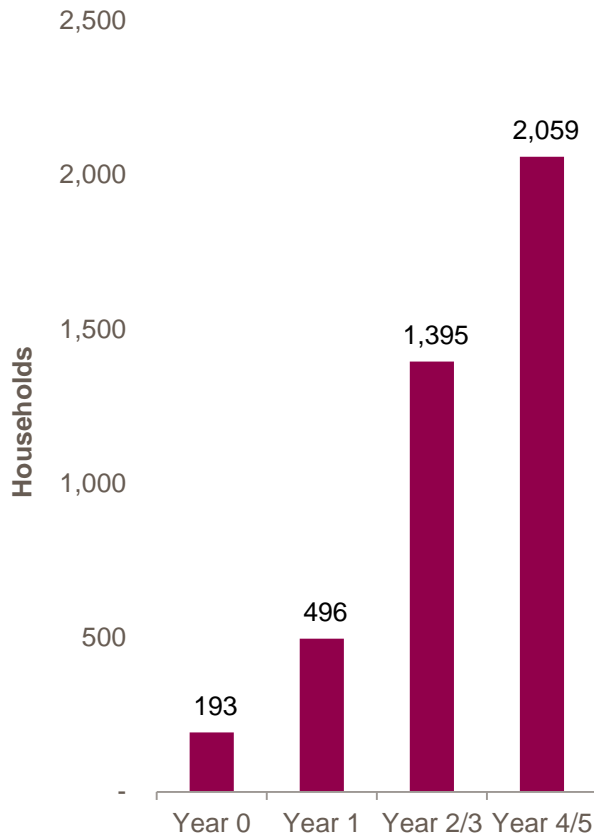
- Producer-focused businesses tend to have a faster rate of growth and are less divergent from their estimates than the consumer-focused ones
- Consumer-focused projects, however, have a higher overall BoP reach. When looking at projections up to 5 years in the future, we expect consumer-focused businesses to reach roughly 100 times as many households per business as producer-focused businesses (see page 60)



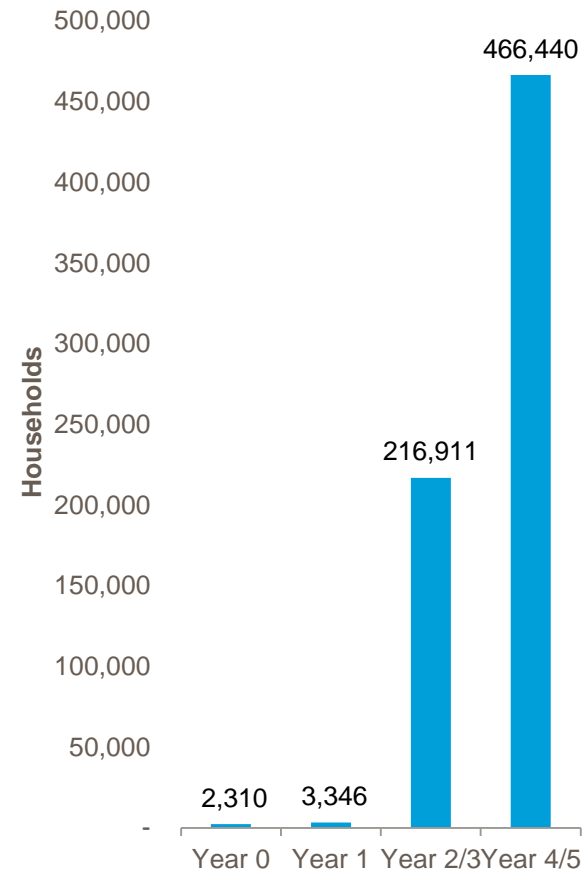


BOP reach projections – average per project

Average BOP reach per project, producer focused projects (N=8)



Average BOP reach per project, consumer focused projects (N=10)



Estimates for future BoP reach, revised for realism



As seen previously (see page 59), organisations tend to overestimate their BOP reach projections. In order to estimate total reach to the BoP across the portfolio, we have aggregated estimates from companies and scaled them down by two different weights based on:

1. Actual project progress so far (see page 27)

Project progress	Weight
5. Flourishing/securely established	100%
4. Progressing well	75%
3. Progressing slowly	50%
2. Stalled/on hold	10%
1. On ice	0%

2. Our assessment of general over-optimism within the portfolio

Optimism	Weight
Optimism factor	70%

Year 3 and 5 calculations:

Because some projects have provided actual figures for year 1 and projected estimates for year 3 and 5, we have unpacked year 3 and year 5 BoP projections in an actual and an estimated component, weighing down only the estimated component (a more detailed explanation can be seen in an example in the next page)



Example – BoP reach revised for realism

Optimism → weight 70%

Project Progress: Progressing well → weight 75%

Year 0 - latest	Actual / estimate	Year 1	Actual / estimate	Year 2	Actual / estimate	Year 3	Year 4	Year 5
2,100	Actual	2,900	Actual	21,403	Actual 2	120,708	157,548	223,286

Revised for realism BoP reach

	Year 1	Year 3	Year 5
Actual component			
Year 1 actual	2,900	2,900	2,900
Estimated component			
Estimated increase from year 1 (year x - year 1)	0	117,808	220,386
Adjusted for optimism (70%)	0	82,466	154,270
Adjusted for Progress (75%)	0	61,849	115,703
TOTAL reach	2,900	64,749	118,603

BoP reach across the whole portfolio, revised for realism



Our 'revised for realism' projections for year 4 / 5 are about one third of what the companies estimated: from **5,706,000** households reported by the businesses to **2,631,000** once revised for realism (for twenty projects)

The portfolio is reaching at least 80,000 households at the BOP at the end of Year 1, post BIF support.
The portfolio is likely to be reaching around 1.2 million households by Year 3 and perhaps 3.7 million by Year 5.

Realistic BOP reach (totals and averages across the portfolio)	Year 1 (actuals) N = 16		Year 1 (estimates and actuals) N = 29		Year 3 N = 20		Year 4 / 5 N = 20	
	Total	Average	Total	Average	Total	Average	Total	Average
Figures provided by organisations (households)	21,000	1,200	228,500	7,900	2,088,000	104,000	5,706,000	285,000
Adjusted for progress and optimism (households)	21,000	1,200	119,000	4,000	839,000	42,000	2,631,000	131,500
Estimated BOP household reach for all 32 projects progressing**					1,175,000	37,000	3,680,000	115,000
Estimated BOP individuals reached across the 32 projects progressing***					5,880,000	184,000	18,400,000	575,000

Notes

- All figures have been rounded to the closest thousand
- 8 projects (20% of total) are either on ice or stalled – these have been excluded from our aggregation as it is assumed that they will not progress and not realise any of their BOP reach
- Year 3 and 4 / 5 data is not available for 12 businesses. For these 12 businesses our assessment of current progress is on average slower than for the 20 for which data is available. To estimate the BoP reach for all 32, the total for the 20 has been multiplied by a factor of 40% (to reflect the slower increase that we are expecting).



Moving beyond the numbers...

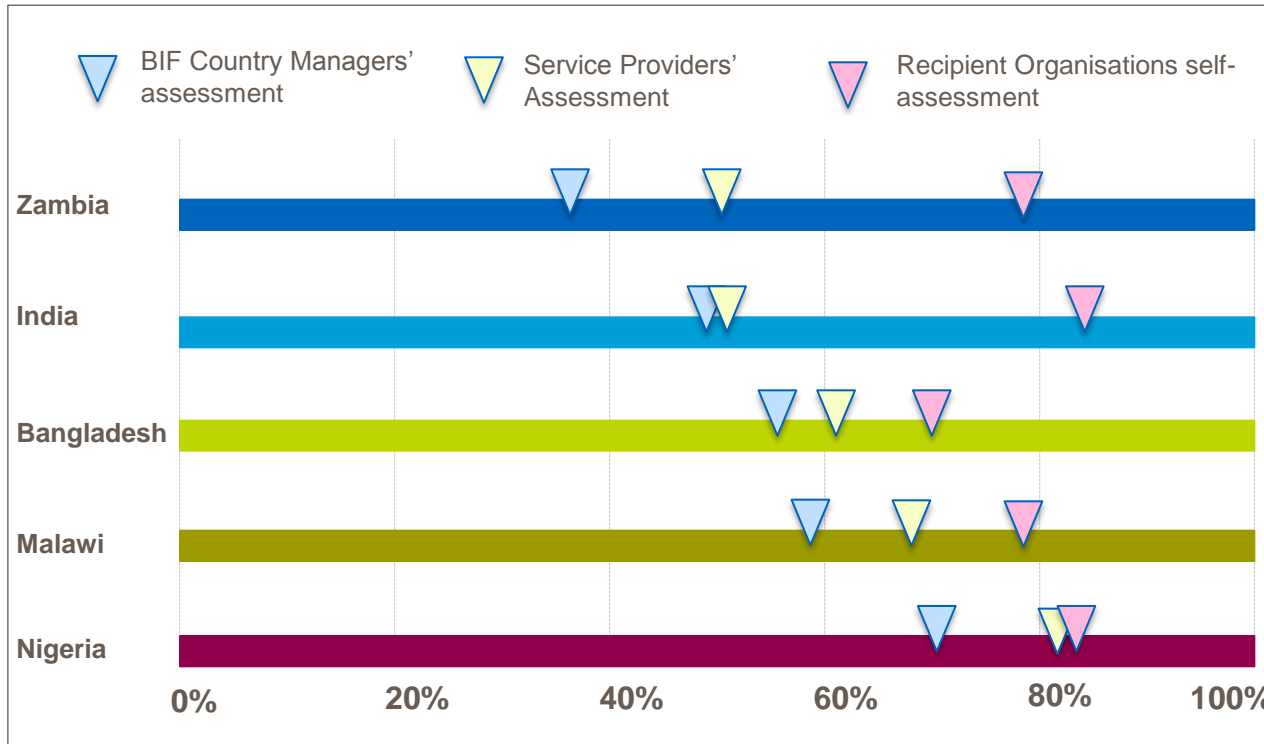
Some further analysis of development impacts

Perception of likelihood of going to scale, reaching thousands of BoP households across different stakeholders



As part of our M&E system we asked the key stakeholders involved in the long projects to rate, on a scale from 0 to 100% , the likelihood to go to scale reaching thousands of BoP households within 2-3 years

All assessments are based on latest available data, however, most of the feedback was received in June-September 2013. The graph below shows the average that the projects have scored in each country.

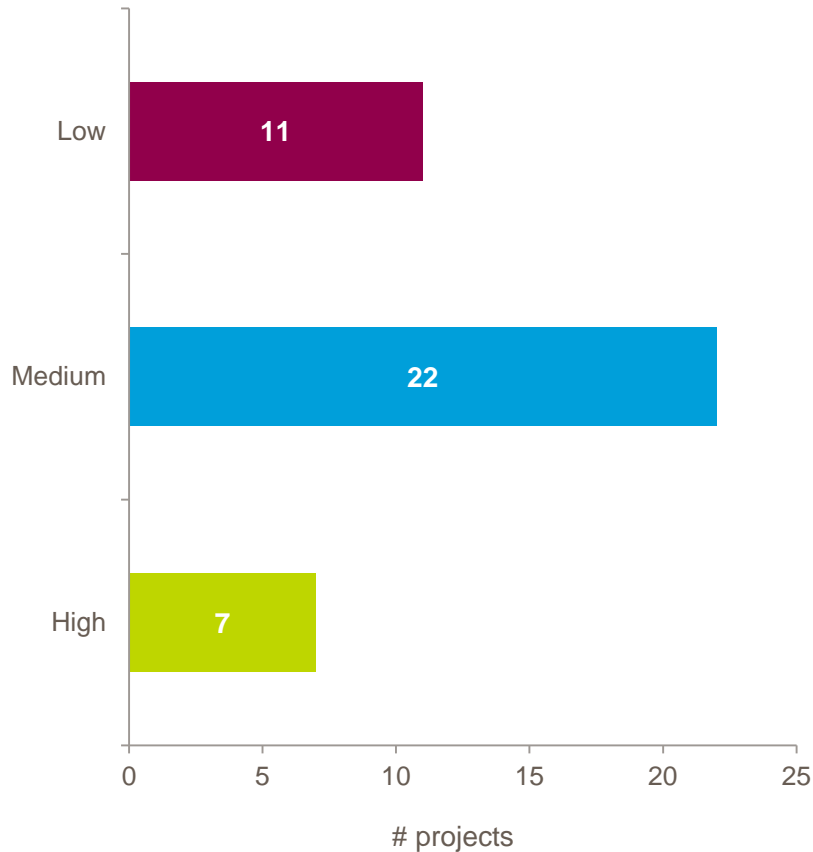


- Likelihood is generally high, most scores are above 50%
- Recipient organisations are substantially more optimistic than service providers and country managers
- BIF Country Managers have only rated projects an average of 54% across the BIF portfolio
- Discrepancy between the perceived likelihood of the recipient organisations and the BIF in-country team is particularly strong in India and Zambia
- Nigerian projects seem to be the most likely to be reaching thousands of low income people

Development Index Sept 2013



Project scoring BIF development index Sep 2013 (N=40)



In addition, to people's assessments of scale likelihoods, we have created our own index to measure the development impacts. We refer to it as BIF **Development Index**, a weighted aggregation of the following indicators:

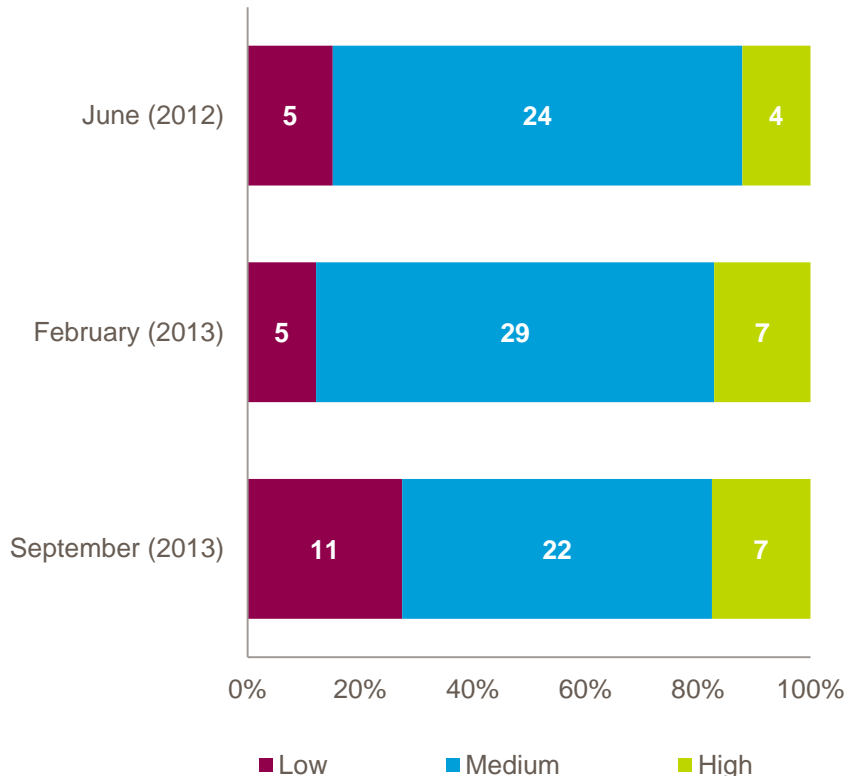
1. Primary beneficiaries reached
2. Likelihood of reaching significant scale by end of 2015
3. Does the project have potential for game changing scale by year 3
4. Significance per person BOP
5. Systemic Impacts (significance and likelihood of the projects' influence)

As of Sept 2013, over half of the projects score medium. The following pages explore how scores have changed over the lifetime of BIF.

Evolution of the Development Index over the lifetime of BIF



Project scoring BIF development index June 2012 (N=33) , February 2013 (N=41) and September 2013 (N=40)



More projects have been rated low in terms of development index in September 2013 than in February 2013.

10 projects have a decreased development index compared to 7 months earlier, while 4 have improved their rating

Change in Development Index (N = 39) *

Change in scores (Feb 2013 to Sept 2013)	# projects	%
Higher	4	10
Same	25	64
Lower	10	26

* N = 39 , Best Foods (Nigeria) was added to the portfolio in June 2013

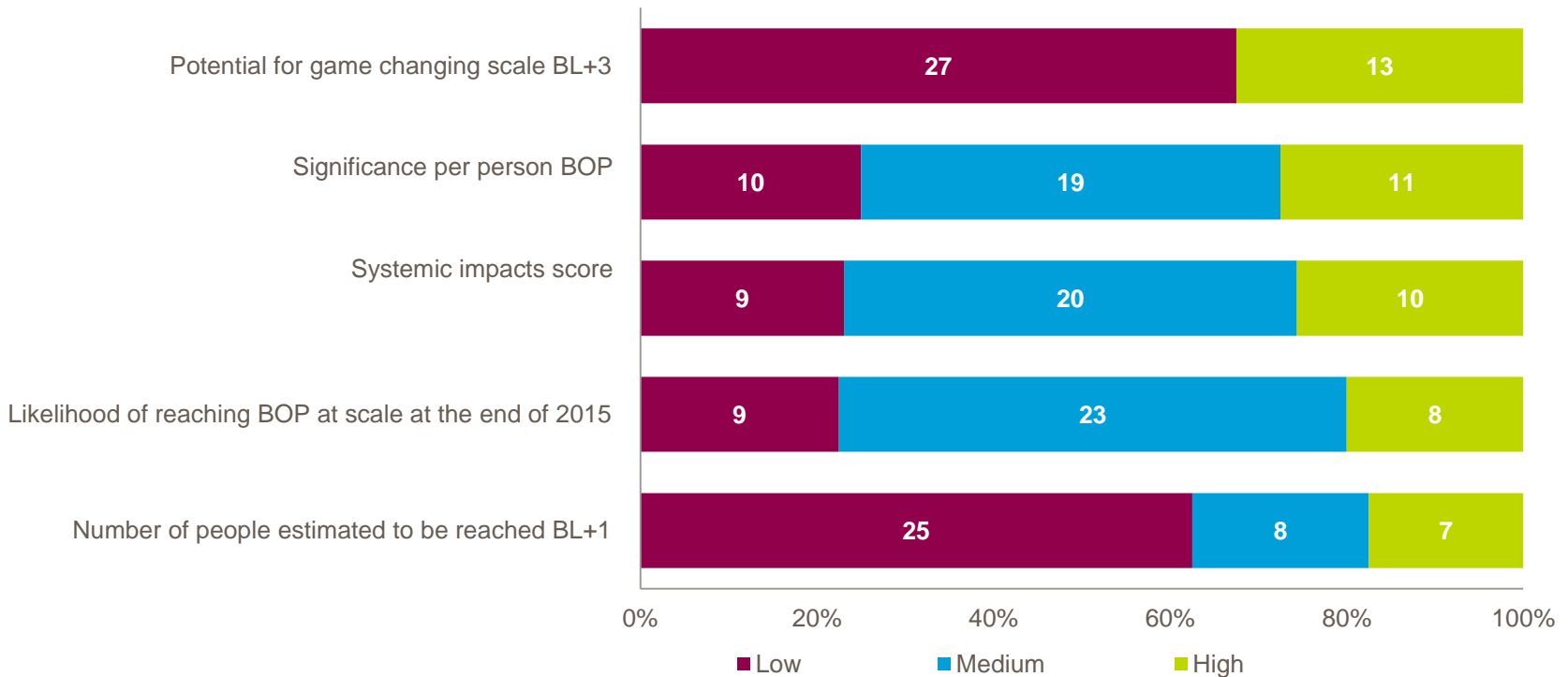
Development Index criteria September 2013



Projects are scoring high in terms of potential for game changing scale in Year 3, and on the significance per person at the BoP

Projects are scoring particularly low on the number of people estimated to be reached in Year 1. This is a reflection on the fact that projects, in general, tend to struggle to have a development impact during their first years of operations

Project Scoring against development criteria September 2013 (N=40)



Section 7

Additionality of BIF support

This section explores

- the type of technical support was provided by BIF
- What type of benefits were expected from BIF support by recipient organisations
- their feedback on BIF support and an analysis of BIF additionality
- BIF reach that is attributable to BIF

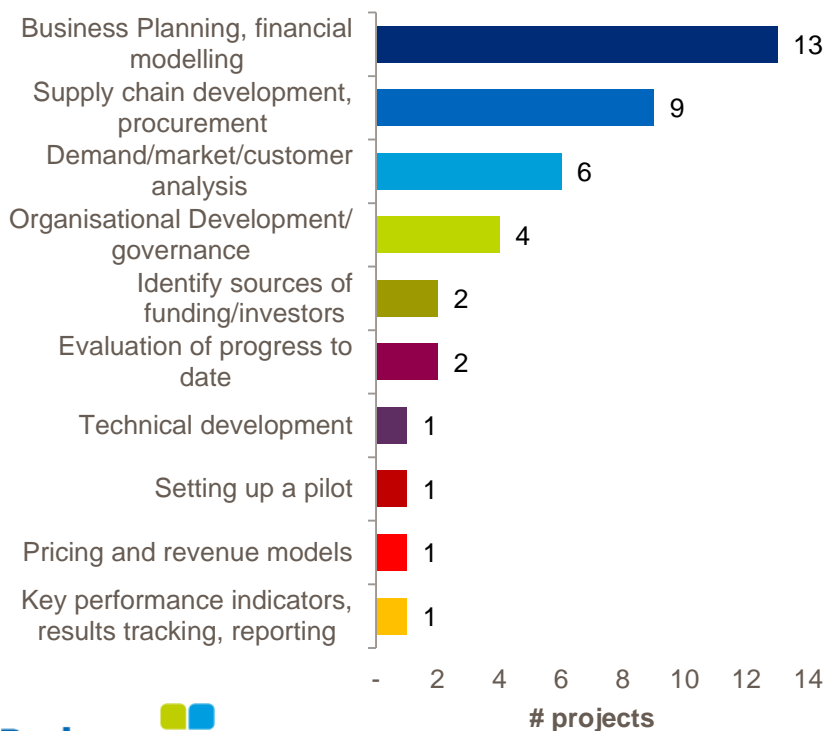


Types of BIF support

The most common types of BIF support have been: business planning, financial modelling, supply chain development and market analysis.

In most cases, however, there was one primary area of support plus one to two other areas. For example, one service provider identified a technical solution to freeze drying a flower-based traditional drink so that a clean and safe 'instant' version can be marketed, while another reviewed the contract farming models that have been tried across the world and helped the company to identify the one that best meets their needs within their context.

Primary type of support (N=40)



Type of support provided (counting up to three types per project) (N=40)





Types of BIF input per BoP focus

- **Producer focused projects** have mostly required BIF input in the areas of organisational development / governance, supply chain development and key performance indicators
- Business planning and financial modelling, and demand / market / customer analysis are the most common types of input provided for **consumer-type projects**

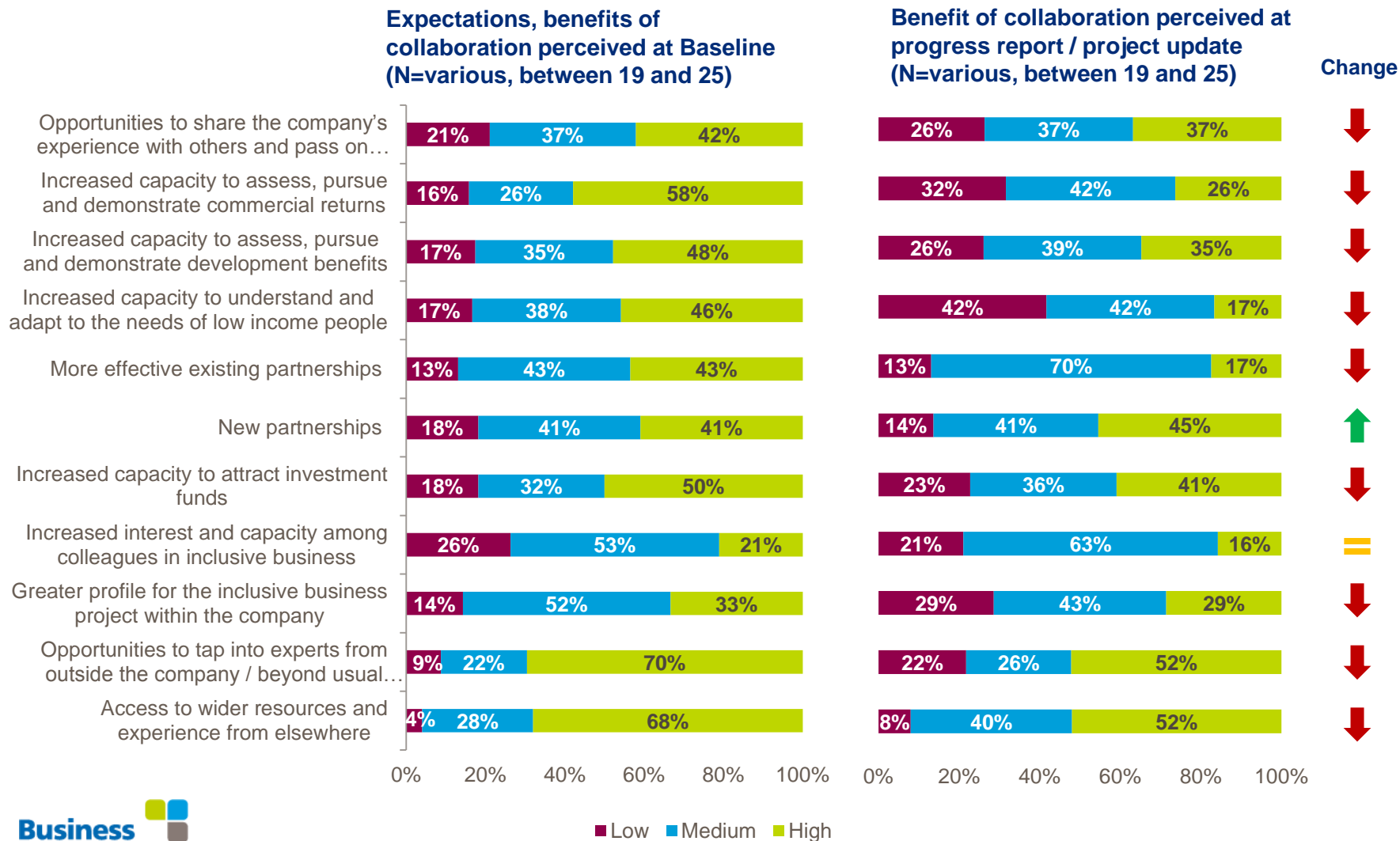
Type of BIF input for Producer focused projects (N=21)



Type of BIF input for Consumer focused projects (N=18)



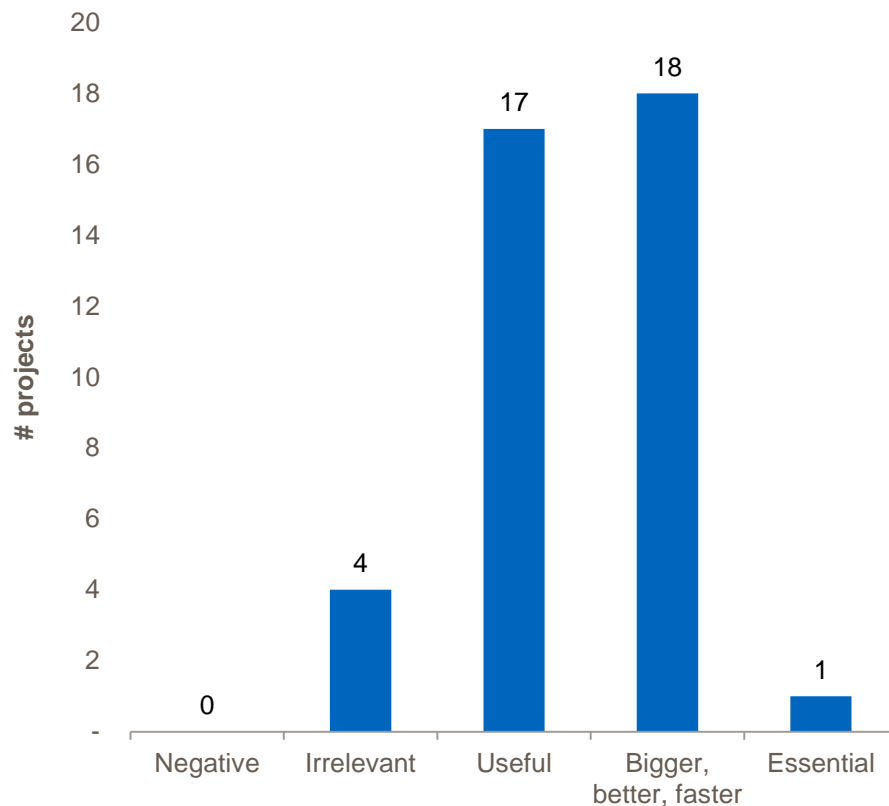
Company expectations at Baseline on the benefits of BIF support, and how these have changed



What is the businesses' perception of the impact of BIF support?



Businesses' view on the impact of BIF's support (N=40)



Businesses were asked which statement best fit their views of the support received by BIF:

1. Without BIF support the project would have not progressed at all (**Essential**)
2. Due to BIF support, the inclusive business project is better designed, or proceeding more quickly, or bigger than it would have been (**Bigger, better, faster**)
3. BIF support was useful to us and made it easier to progress the project, although it has not resulted in specific identifiable change compared to what would have happened (**Useful**)
4. BIF support made no difference (**Irrelevant**)
5. BIF support had net negative results (**Negative**)

How have the businesses rated BIF's support?



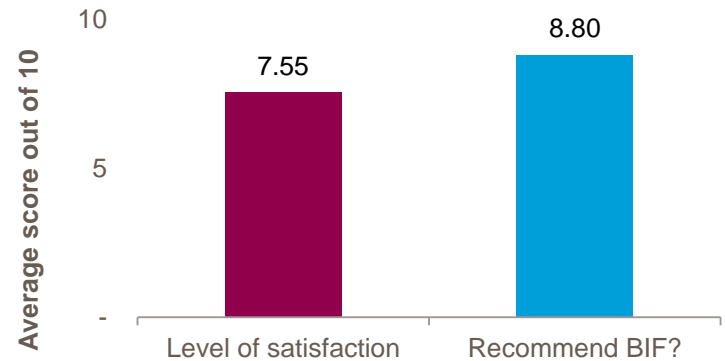
At the completion of BIF support, businesses were asked to rate their level of satisfaction on a scale from 1 to 10 on the support provided by BIF

Businesses were also asked to rate the consultants that provided the technical assistance on the following areas:

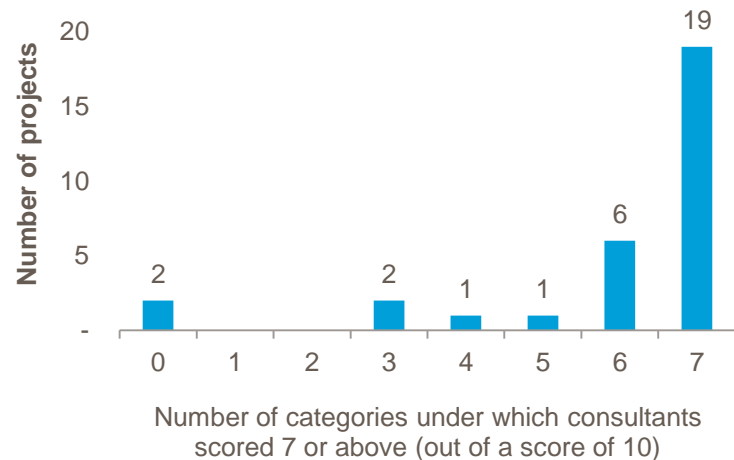
- Displayed the technical competence you required
- Brought you fresh insights
- Provided practical advice/ recommendations
- Produced high quality outputs
- Listened and responded to your point of view
- Had courage to challenge
- Was easy to work with

The TA was provided by service providers who were based, for the majority (around 60 per cent), in the South, but when local expertise was not available it was sourced internationally.

Feedback on BIF support (N=31)



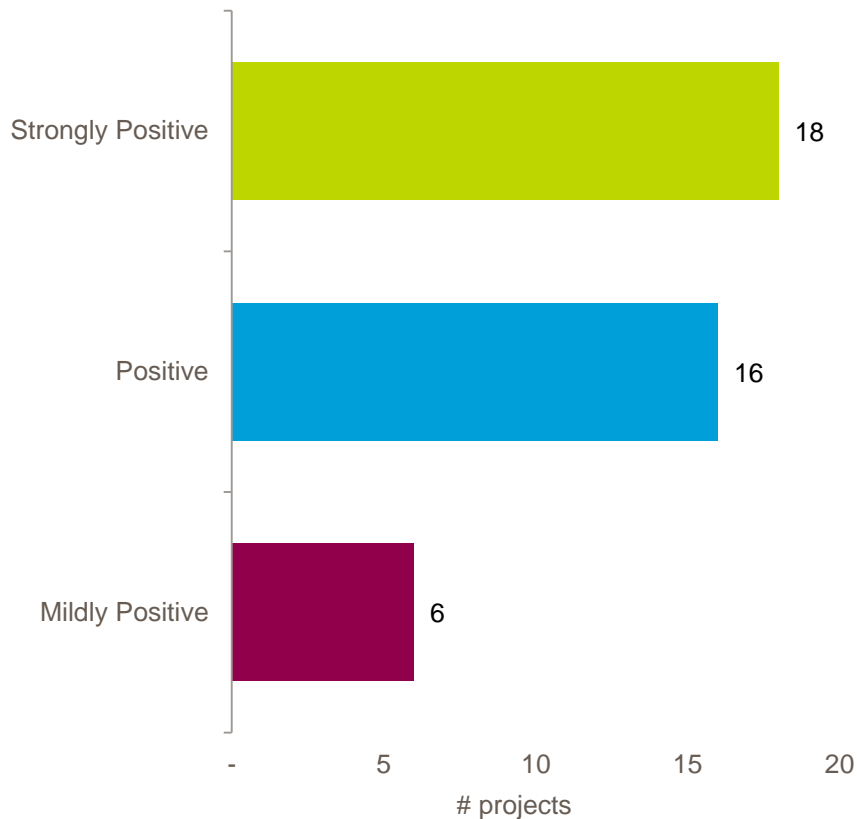
Feedback on the BIF consultants (N=30)



BIF Satisfaction Index



Project scoring BIF satisfaction index, September 2013 (N=40)



Similarly to the Commercial Viability Index and the Development Index, we have also created a **BIF Satisfaction Index**. This is a weighted aggregation of the following indicators:

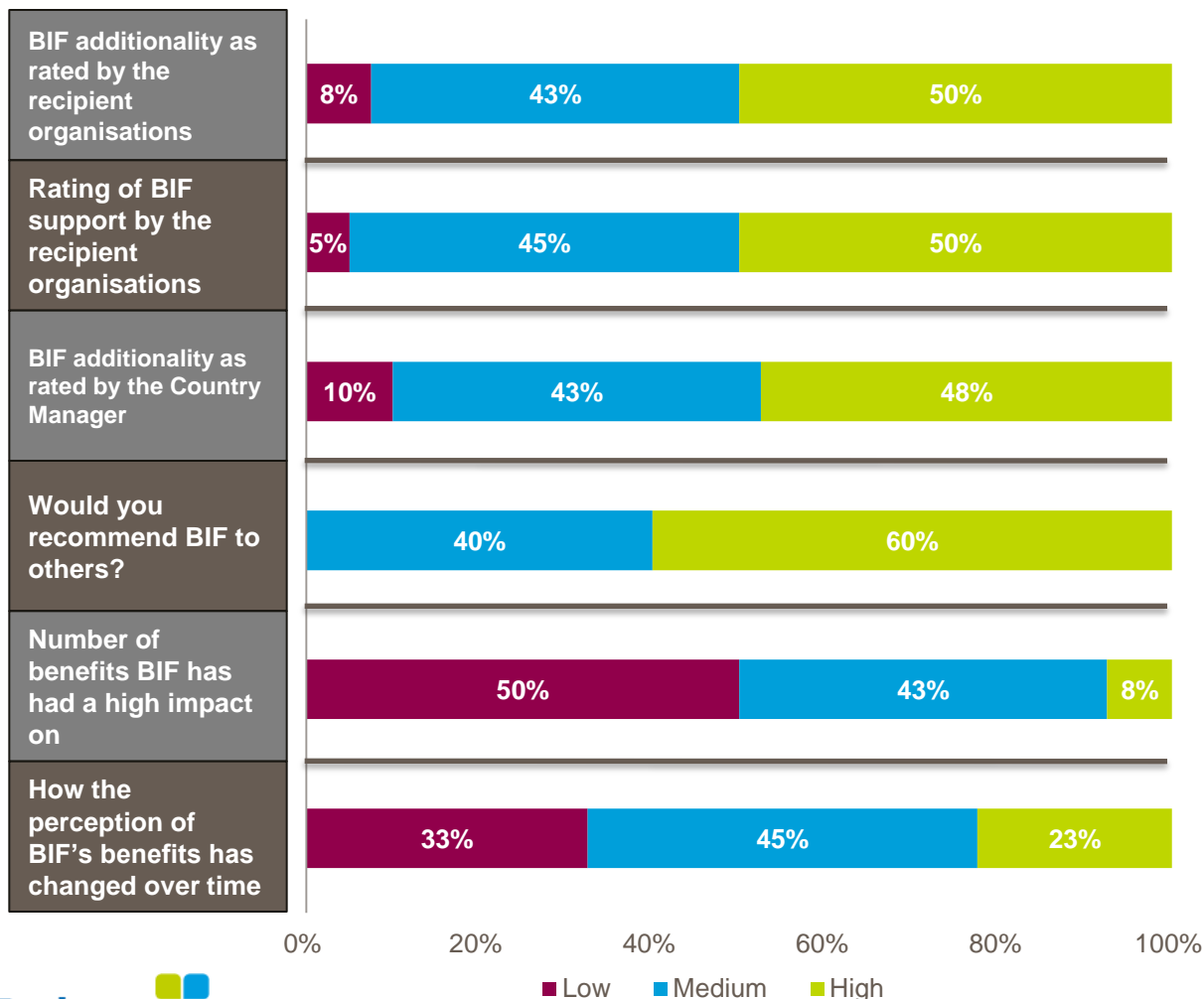
1. Businesses' and country managers' feedback on BIF additionality
2. Recipient organisations' rating on the quality of BIF support provided
3. If businesses would recommend BIF
4. Number of benefits that BIF support has brought to the inclusive business and how these have changed over time

Most BIF projects score highly in the Satisfaction Index



BIF Satisfaction Index criteria

Project scoring against BIF satisfaction criteria, September 2013 (N=40)



Projects are scoring particularly high on:

- Their recommendation of BIF (60% of the projects scored 8 out of 10 or higher in this category)
- How they would rate BIF's additionality: 50% of both Country Managers and the organisations have rated BIF highly on additionality *

* We have categorised organisations' rating as follows: High = 'Essential' and 'bigger, better, faster', Medium = 'Useful', Low = 'Irrelevant' and 'damaging'

How many people reached at the BoP can be plausibly linked to BIF?



BIF additionality

Because ascribing a share of results to donor support is so difficult, we note that it seems to be common practice to simply report 100 per cent of the results achieved by the projects. Despite the challenge of defining causality and attribution, we have nevertheless reassessed the estimated reach to people at the BoP from the BIF portfolio to provide a slightly better indication of what can be claimed as BIF reach.

We have therefore further reduced the BOP reach figures by estimating the share that could reasonably be attributed in some way to BIF support. This has involved three steps (see page 80 for a step-by-step example)

- 1) We discounted the people that were already reached in Year 0
- 2) We then applied the same methodology used to calculate the “BoP reach revised for realism”, scaling the reach down by project progress and our assessment of the over-optimism across the portfolio (see slide #63)
- 3) Finally, we adjusted the resulting BoP reach by the level of additionality that BIF has had on the projects, using the following weights

Additionality	Weight
Critical	90%
Bigger / Better / Faster	50%
Useful	25%
Irrelevant	0%
Negative	0%



Example: *BIF* additionality

Optimism → weight 70%

Project Progress: Flourishing → weight 75%

Additionality: “Useful” → weight 25%

Year 0 - latest	Actual / estimate	Year 1	Actual / estimate	Year 2	Actual / estimate	Year 3	Year 4	Year 5
2,100	Actual	2,900	Actual	21,403	Actual 2	120,708	157,548	223,286

Realistic BOP reach

	Year 1	Year 3	Year 5
Actual component			
Year 1 actual increase from year 0	800	800	800
Adjusted for additionality (25%)	200	200	200
Estimated component			
Estimated increase from year 1 (year x - year 1)	0	117,808	220,386
Adjusted for optimism (70%)	0	82,466	154,270
Adjusted for Progress (75%)	0	61,849	115,703
Adjusted for additionality (25%)	0	15,462	28,926
TOTAL BIF additionality	200	15,662	29,126



BIF additionality

So far 2,000 households at the BoP have been reached by 16 businesses and can reasonably be linked to BIF support. These figures are estimated to be 325,000 and 727,000 in years 3 and 5.

If we take into consideration all 32 businesses that are currently progressing, after Year 3 and Year 5 the number increases to almost 0.5 million and 1.5 million households respectively

BIF additionality. All BoP reach is taken as an increase from year 0 (totals and averages across the portfolio)	Year 1 (actuals) N = 16		Year 1 (estimates and actuals) N = 29		Year 3 N = 20		Year 4 / 5 N = 20	
	Total	Average	Total	Average	Total	Average	Total	Average
Figures provided by organisations	15,000	863	164,000	5,650	2,060,000	103,000	5,680,000	284,000
Adjusted for progress and optimism (total)	15,000	863	89,000	3,000	825,500	41,000	2,617,000	131,000
Adjusted for BIF additionality	6,000	345	38,000	1,300	352,000	17,500	1,070,000	53,500
BIF additionality for all 32 projects that are progressing (households)					493,000	15,000	1,500,000	47,000
BIF additionality for all 32 projects that are progressing (individuals)					2,465,000	77,000	7,500,000	235,000

Notes

- All figures have been rounded to the closest thousand
- 8 projects (20% of total) are either on ice or stalled – these have been excluded from our aggregation as it is assumed that they will not progress and not realise any of their BOP reach
- *Year 3 and 4 / 5 data is not available for 12 businesses. For these 12 businesses our assessment of current progress is on average slower than for the 20 for which data is available. To estimate the BoP reach for all 32, the total for the 20 has been multiplied by a factor of 40% (to reflect the slower increase that we are expecting).

Section 7

Short projects feedback

As mentioned in the introduction, our M&E system for short projects is less comprehensive than our long projects. We do, however, have a system based on obtaining feedback from the various stakeholders. The following pages summarise the feedback received

Short projects one-to-many feedback

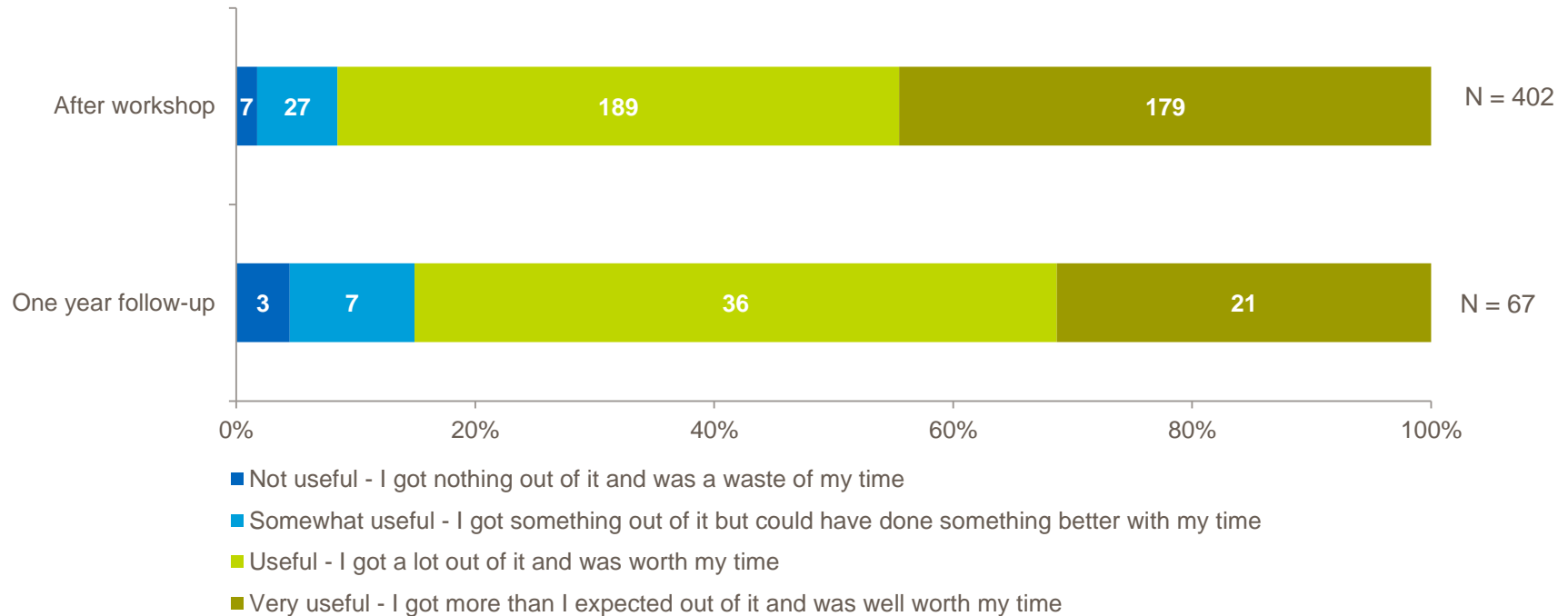


Our portfolio of small projects is made of one-to-one TA interventions, and one-to-many workshops and research projects.

Within our portfolio, 22 projects out of 68 can be considered as as one-to-many.

The vast majority of respondents to our survey consider the support received from the one-to-many projects as very useful or useful

NCS one-to-many feedback

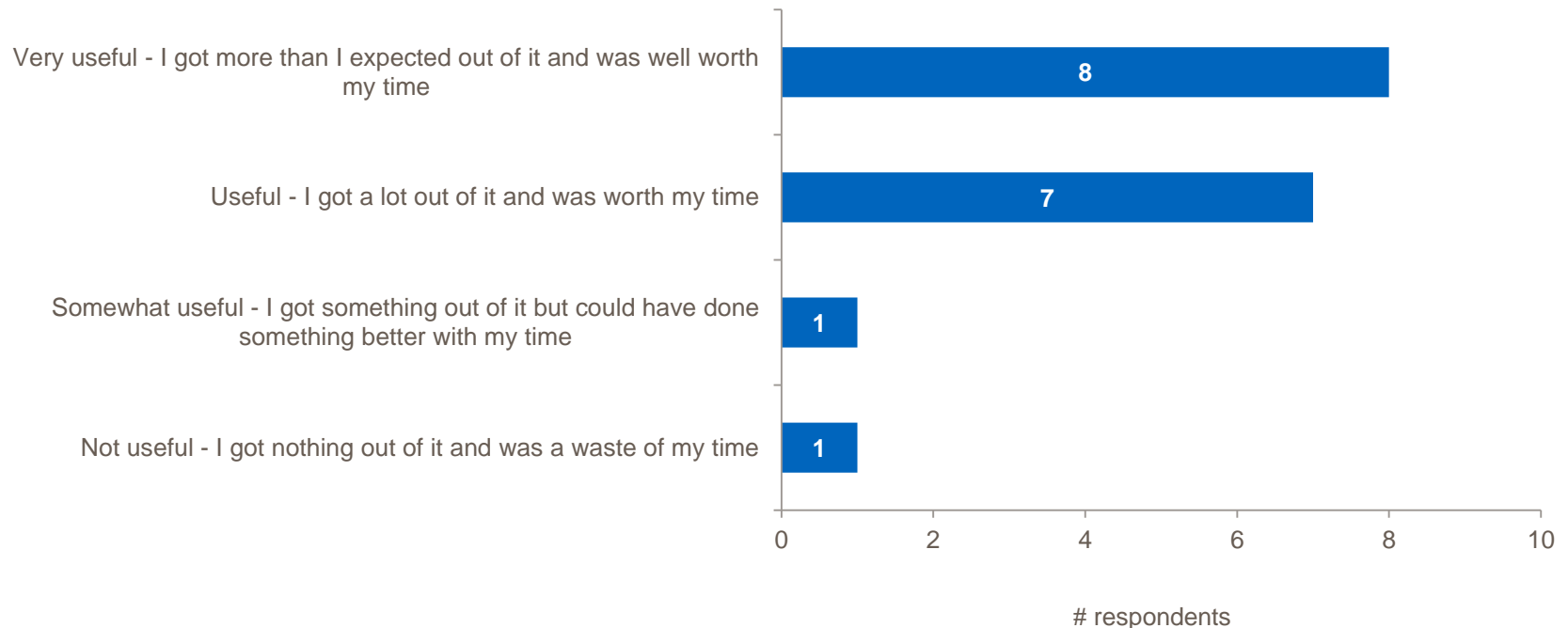


Short projects one-to-one feedback



Out of 68 short projects, 46 are classified as one-to-one smaller TA interventions. Feedback received from the beneficiaries of the one-to-one projects is very positive, with 88% of respondents reporting that they have found the short projects either useful or very useful

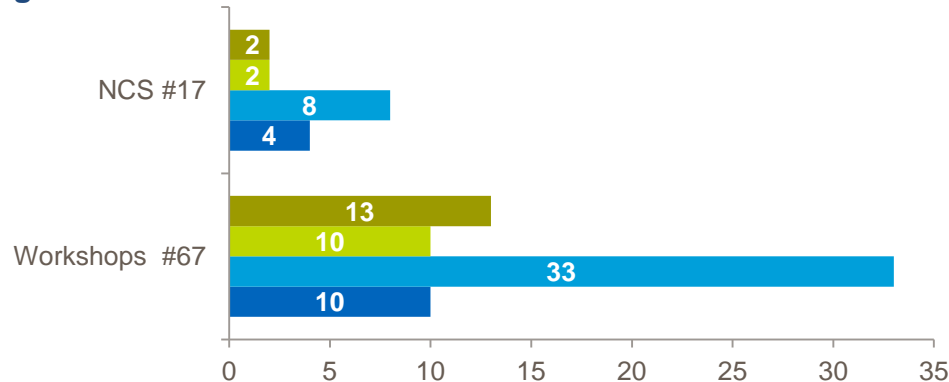
NCS one-to-one feedback (N=17)



Increased engagement with the BoP as a result of BIF support?



As a result of your involvement with BIF have you or your organisation had an increased engagement with/or better understanding of producers or consumers at the Base of the Pyramid (BoP) that are relevant to your organisation?



- No, there has been no increase in engaging with/understanding of the BoP
- Yes, there has been increase, but this has happened irrespective of my engagement with BIF
- Yes, there has been some increase in engaging with/understanding of the BoP
- Yes, there has been a significant increase in engaging with/understanding of the BoP

Example feedback quotes illustrating different types of increased engagement with the BoP as a result of BIF support

NCS one-to-many	NCS one-to one
Interacted with private sectors and built relationship for partnering.	I am now engaging in other inclusive business/BOP -type projects.
Designed a business model that brought greater benefits to producers by cutting out exploitative middle-men.	We have made sure we can offer the lowest price to our BoP customer besides those who are engaged in our supply chain process.
We were already very engaged. Some of the workshops brought greater understanding mostly through those who gave relevant Zambian examples.	We now source ginger from the Jaba cluster in Kaduna State which has over 5,000 members, 60% of them are women. This partnership was as a direct result of the BIF-funded supply chain study.



What has been done differently?

As part of an online follow-up survey with BIF short project recipients carried out in September 2013, we asked: “Can you identify anything you have done, or have done differently, as a result of your involvement with BIF?”

69% of all workshop participants and 94% of all NCS one-to-one support provided a tangible example of something they had done differently.

Example quotes are included in the table below:

NCS one-to-many	NCS one-to one
We made linkages with private sector	Planned and funded (and about to implement) the strategy BIF helped us define.
Decided on new research areas following the workshop identifying the need for developing business cases based on business process review.	Through BIF support we identified better machines and are in contact with the makers.
Partnered with two private companies (input suppliers in aquaculture) to help rural fish farmers through providing embedded services.	Through BIF support, we were able to identify and establish linkages with smallholder farmer clusters, develop labels and fliers for its marketing purposes and technical production support for the company
I have successfully engaged the private sector with my project. New strategy for our country programme was heavily influenced by the workshop	We have decided to go into deeper research work based upon BIF support work
The knowledge that I gathered in the training workshop, I disseminated the same for the benefit of our clients.	



How could BIF improve?

We also asked the project recipients for suggestions on what BIF could do to improve. Some of the answers have been collected in the table below

NCS one-to-many	NCS one-to one
BIF could share some practical experiences and ideas for influencing the BOP for starting businesses.	Future programmes should have the following in place: 1. A database of investors or financial institutions who would be willing to support commercially viable BIF clients or projects. 2 mechanisms in place upon which progress of the BIF funded projects could be monitored or tracked 3. Continue to involve local consultants or firms 4. BIF could be organising annual event or forum where all its clients and consultants could come together and share experiences. 5. Specific programmes for cooperatives in the agricultural sector.
BIF may invest financially and intellectually on few handpicked projects of which results are guaranteed.	
Linking countries - for example we could have linked our work in Malawi and Zambia with other BIF countries.	
It would be brilliant if there was a BIF in every country we operate in.	
BIF is an innovative project and can help ensuring sustainability of project as farmers are linked to the private sector	

Closing slide



This report contains the full details of the portfolio of inclusive businesses of the Business Innovation Facility.

For more information please visit:

The Practitioner Hub on inclusive business: www.businessinnovationfacility.org

BIF Spotlight on Final Findings: <http://bit.ly/FindingsSpotlight>

July 2012's Portfolio Review: <http://bit.ly/BIFReview2012>

Contact:

Caroline Ashley, Director, Inclusive Business Results, Business Innovation Facility: caroline@carolineashley.net

Carolin Schramm, M&E Manager, Business Innovation Facility: carolin.schramm@uk.pwc.com

Adriano Scarampi, M&E Officer, Business Innovation Facility: adriano.scarampi@uk.pwc.com

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