

### Inclusive Business Development Services

*From incubation to mentoring, from investor-backed technical assistance to partnership facilitation, there are now multiple players that are providing business development services (BDS) for inclusive enterprises. BDS is widely recognised as being crucial to improving the pipeline of investible, scalable inclusive businesses. But what services do the enterprises actually need and are those currently offered the most effective? Do inclusive businesses need more specialised support than mainstream businesses? Who should be paying for such services?*

*This month, in partnership with the [Inclusive Business Accelerator](#), we put these questions to key stakeholders in the inclusive BDS landscape. In a great set of 24 articles, our contributors review their use or deployment of BDS and what more is needed.*

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#### An evolving, improving but immature Inclusive Business Development Services market

- [Editor Caroline Ashley provides an overview of our theme and the contributions:](#) in the immature but evolving market for inclusive business development services, much is happening to improve delivery. Views diverge on who pays and what businesses really need.
- While the demand for ‘IBDS’ has increased from all quarters, there is a lack of quality in-country providers. Inclusive Business Accelerator believes the solution is [‘professionalization’ of such services through global guidelines](#), training and accreditation.
- When Endeava and the BoP Learning Lab mapped the Social Enterprise support ecosystems in 7 Sub-Saharan African countries, they found that IBDS is an essential but [lagging part of the ecosystem](#). Policy support for inclusive business is, so far, more mature than BDS support.
- What’s working in start-up acceleration? The first major report from the Global Accelerator Learning Initiative at Emory University analysed data from 15 programmes of seed-stage accelerator Village Capital to draw conclusions on [what helps SMEs grow and why](#).
- [What reports and information do we have about available support for businesses?](#) In this month’s Editor’s Choice Caroline Ashley gives an overview of what we do, and what we do not know, about inclusive business support services.

## Who pays?

- Impact investing is constrained by a lack of 'high quality investment opportunities' in East Africa. [DFID'S Ross Masood](#) explains why DFID is asking 'why aren't more deals happening?' DFID commissioned a report to answer the question and co-author, [Simon Meier, from FSG](#), highlights their findings: BDS providers are critical to making enterprises more investment-ready but they too face constraints to scale. Meier explains why a new donor-funded facility for the BDS market is needed.
- Free consultants often end up standing in the corner being ignored. But when a company is paying, they will use them wisely to tackle core business problems. Jon Shepard outlines [why the 'low bono' approach works best for EY's Enterprise Growth Services](#), providing commercial services at reduced fee rates.
- [Getting businesses to pay for BDS is a challenge that Thrive, a BDS provider in Malawi, has to contend with](#). While they find that enterprises are willing to pay once they understand the value of the services, they still need to work for donors and NGOs to be financially sustainable. Donor funding brings its own problems, explains Thrive founder Kate Sutton, interviewed by IB consultant Karen Smith.

## What's missing, what works and what's needed to improve?

- Drawing on wide investment fund experience and a ruthlessly critical eye, Noah Beckwith identifies [4 lessons to make BDS effective](#). He argues that BDS support is not focusing on the business fundamentals. Advisors lack the 'scar tissue' of building SMEs.
- Technoserve has been running an independent Technical Assistance (TA) facility alongside the African Agriculture Fund. Sarah Marchand identifies 5 lessons, echoing FSG's findings on the funding challenge for pre-investment TA, and flagging the [need to provide both 'core business' TA and 'inclusive business TA'](#) with different time frames and budget implications.
- While BDS has been very helpful for inclusive business nFrnds, there are certain areas specific to running an 'inclusive' enterprise, such as impact evaluation, where they feel additional support would be invaluable. [We speak to nFrnds Director of Business Development Caylee Talpert in this interview](#).
- Peter Masaaba's company B-Space provides BDS to SMEs in Uganda, a country where 78% of SMEs fail in year 1. He shares [survey results on what SMEs need and his top 5 lessons for effective BDS support](#), including entrepreneurs learning from each other in the classroom.
- Hard results are hard to come by. In Uganda, [CURAD focuses on agribusiness incubation](#) and so far, has started, supported and nurtured 71 SMEs with over 5 technologies commercialised, 2 organisation models developed and up-scaled, 189 interns, over 2000 jobs created and positively impacting over 5,000 farming households. Apollo Segawa explains the who, why, how and what still needs to change.
- In ten years of working with eco-inclusive enterprises, SEED has found that only a fraction of BDS providers know what being 'eco-inclusive' means. To fill this gap, [they have developed a suite of tools to train the providers](#) to offer better, more targeted support. to enterprises.

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*The Technical Assistance Facility supports entrepreneurs throughout Africa*



*nFrnds provides accessible cutting-edge business software*



*CURAD supports agribusinesses in Uganda*

- Tools are key to the Inclusive Business Accelerator's (IBA) vision of improving the IBDS landscape in developing countries. [Here, Benjamin van der Hilst emphasises the need for coherent, IB-specific tools](#) and lists some that they have developed already.
- Is IBA's methodology working? What feedback is emerging from the field? Two IBA-certified trainers give their feedback. [Frank Kitonga relays an interesting story of a Kenyan entrepreneur](#) who was convinced he knew exactly how to run his business until using the toolkit showed him what he was missing. [Guustaf van de Mheen suggests that IBA's tools help entrepreneurs to really think through their BoP proposition](#) and allow BDS providers to challenge their clients.
- [Entrepreneurs and BDS providers both need to change in Rwanda](#), argues Yvan Gatoto from Ejo Partners, a business consultancy. Entrepreneurs need to focus more on what their customers value, and BDS providers should go beyond short term business planning to long term growth support.
- Aishat Akande from Afrilabs, a pan-African network of 40 technology innovation hubs in 20 countries, identifies [8 business development areas where SMEs need support](#).
- 'The more specific the knowledge the better' has been a key learning from the Inclusive Business Action Network's IB sector dialogues that bring together entrepreneurs working in different sectors. [IBAN's Mareike Grytz discusses how context and partners are key to supporting enterprises](#). This is also at the core of how [GiZ's Responsible and Inclusive Business Hubs support companies on the ground](#), as Maite Deuchert explains.
- A number of BDS providers mention the importance of [peer to peer learning](#). It is an approach that epOnsite, a Siemens-Stiftung initiative has adopted with good results.
- Inclusive business means baking social impact into the cake, not icing it on top says Business for Development's Mark Ingram. So it has extra challenges around the value proposition and building partnership. For this [it needs extra-talented BDS providers who can navigate through the journey](#).

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## The specialist and unusual BDS foci

- Programmes are providing different types of support to help enterprises grow, from incubation to developing partnerships. In this blog, M&E Manager of Connect to Grow, Carolin Schramm summarises [the key findings from a baseline study that reviewed more than 70 such programmes/initiatives](#).
- Intelicap and USAID's [Collaboration for Impact facility helps SMEs collaborate with corporates to increase their impact at the BoP](#). Stefanie Bauer suggests that it is a service that is much needed.



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