



INTERNATIONAL FINANCE CORPORATION  
WORLD BANK GROUP

# Grassroots Business Initiative & the Development Market Place: Experiences and Lessons Learned in Technical Assistance (TA)

IFC Grassroots Business Initiative  
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# What is the Grassroots Business Initiative (GBI)?

*Established in 2004, GBI aims to:*

- *Find, strengthen, scale up, and replicate innovative business models that empower the poor*
- *Bring access to business skills, finance and low-cost services to organizations providing sustainable economic support to the poor as producers, consumers and entrepreneurs*
- *Provide “smart subsidies” & technical assistance to create sustainable enterprises*
- *Help build the field of social enterprise by developing knowledge, models, and partnerships*

# GBI & DMP

Since 2004, GBI has assisted 7 DMP winners, providing technical assistance, business development services and access to capital to strengthen and scale-up innovative projects into successful, replicable business models with large distributive impact on the poor:

- **6,745** jobs created
- More than **1,200** women empowered
- **614,698** people receiving basic services
- **45,212** lives impacted (*direct & indirect beneficiaries*)
- **US \$1,034** average annual revenue for GBO

# The Challenges

Entrepreneurs face a myriad of challenges in getting their project off the ground and often lack access to:

- Capital
- Markets
- Information
- Technology
- Infrastructure
- Management skills
- Business tools & skills
- Technical assistance
- Higher/specialized expertise

*which can hinder long term development & sustainability*

# The Need for TA

- ~ **Fills the knowledge and resource gap faced by start-up entrepreneurs:**
  - **guidance in formalizing business ideas and projects**
  - **budgeting use of funds for constructive implementation**
  - **business plan development and implementation support**
  - **monitoring & evaluation to measure progress**
  - **accounting and management systems**
  - **governance**
  - **access to financial markets**
- ~ **Supports and sets up sustainable practices and metrics for long term growth, development & profitability**
- ~ **Links micro-entrepreneurs with local networks, consultants, & banks to better integrate into the formal economy**

# Digital Divide Data (DDD, Cambodia)

## Received DMP Grant in 2004 (US\$ 157,000)

Cambodian non-profit organization providing IT outsourcing services to local and international business and public sector customers. DDD trains and employs disabled persons, orphans, and rescued victims of sex trafficking, receiving higher than average salaries and educational benefits.

### Support & TA to DDD:

- IT & technology
- capacity building
- business planning, development & management
- working capital
- governance
- social & educational programming & scholarships

### Results to Date:

- 173** employees (*92% of whom are women and/or disabled*)
- 151** indirect beneficiaries
- 54** graduates of DDD
- 269** scholarships provided

# Gone Rural (Swaziland)

## Received DMP Grant in 2004 (US\$ 10,000)

Grassroots business organization providing renewed hope for rural women of Swaziland through traditional handicraft production and export. Established Gone Rural BoMake in 2006, as a non-profit providing social support, education and health training for Gone Rural's women.

## Support & TA to Gone Rural:

- **Sales & Marketing** (i.e. access to int'l markets; meeting product, design and quality demand of consumers)
- **Capacity Building** (i.e. strengthen management; access & distribution of raw materials; increase productivity)
- **Working Capital** (i.e. to pay artisans upon their delivery of completed products to Gone Rural)
- **Business Planning** (i.e. business plan development; MIS system & accounting; manufacturing processes)

## Results to Date:

- **660 female artisans trained & employed** (71% are sole income providers for their household)
- **5,472 indirect beneficiaries** (more than half of whom are children)
- Member of the International Federation for Alternative Trade (IFAT)

# Lessons Learned

- Programs with TA component have a better chance of longer term sustainability
- It is not an easy or cheap process, but well worth the investment to develop sustainable, successful businesses in the future
- Start-up entrepreneurs have a variety of needs- cannot be addressed by one TA provider- may need to seek additional expertise and support from a variety of specialized providers- better benefit/impact on the business (not all TA is equal or necessary- will vary from business to business)
- Sense of support, person/institution to turn to for help
- Instills good business practices and principles from the outset- helps to shape the business and lay the foundation for development and growth in the future

# Comments, Questions, Suggestions ?



*GBI: Strengthening Enterprises that Create Opportunities for the Poor*

[www.ifc.org/gbi](http://www.ifc.org/gbi)