BUILDING BUSINESSES FOR GIRL IMPACT

Designing an accelerator
SPRING was an adaptive programme, so we continually refined our approach in real time according to feedback from our businesses, consortium members, and independent monitoring and evaluation (M&E) team on what worked well and why, and what needed improvement. As a result, we revised our design significantly over the course of implementation to improve our businesses’ experience and our effectiveness.

This report provides honest reflections about what we learned in designing and managing an impact-focused, human-centred business accelerator, so that others may benefit from our learning. We share what worked well and what we would do differently, and we provide practical tips for universal challenges faced by accelerators: selecting the right businesses, prioritising areas of business support, finding investment and monitoring results.
KEY INSIGHTS: ACCELERATOR SET UP

1 Operating across diverse geographies creates complexity and cost implications

We ran our accelerator in two regions in order to compare what works in each, but because of the diversity of our businesses, sectors, stages of country and market development, and the complex gender landscapes within countries, there were too many variables to form robust conclusions. Our central team, responsible for global operations, communications, in-house monitoring and partnerships, was based in London. A core team was important for learning, consistency, management and partner engagement. However, managing efficiently and effectively across nine countries in two continents was challenging.

Our broad coverage had significant cost, resource and decision-making implications for outreach and selection, curriculum development, communication, management and results monitoring. Human-centred design (HCD), as the basis of our curriculum, enabled us to work in diverse contexts. However, communications had to be locally tailored, sub-contractors hired at the local level, and regional experiences were often too contextual to be cross-applied. As the market, cultural, political and gender contexts differed widely in each country, we were unable to leverage economies of scale.

2 Country Managers are key positions

Because we were spread so widely across the globe, we relied heavily on country managers to oversee local implementation and provide face-to-face support. Their job was perhaps the most important one to SPRING’s success, and one that evolved over time, as more and more needs were identified. Country managers had significant responsibility for sourcing the right businesses, monitoring business progress between bootcamps and after, providing mentoring and networking opportunities, and capturing learning. The role required involvement before a cohort started (to scout businesses) and long after each cohort ended, to follow up and document results. The job required a rare balance of private and development sector skills, international experience, and local knowledge and networks. Where it was not possible to identify someone with the requisite skills, network and availability, we split the country manager role between two people, which worked very well. While having strong fit businesses was the most important driver of our impact, committed and skilled country managers was second.

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1 SPRING’s core team was initially based in Nairobi. We moved our head office to London in part due to our split between two regions, but also to recruit a team with international expertise.
Landscaping research should provide specific end user insights for businesses

Our impact focus required foundational research to understand the contexts in which girls were living in order to inform both the selection of businesses and design of the bootcamp curriculum. While having a general understanding of girls’ lives is important, it is the particular context for the girls businesses that seek to impact – girls’ access to assets, their ability to exercise voice and agency, their interaction with formal institutions, the ways in which social norms constrain and enable them – which must be understood to develop effective solutions. In each market, we conducted in-depth qualitative research with girls and their parents (see our reports on Bangladesh, Myanmar, Nepal and Pakistan), with a focus on deepening our understanding of girls’ needs, challenges and opportunities.²

While we needed to understand the girl context to inform selection, research prior to selection could only produce general girl insights – not specific to the sectors where our businesses were working. We learned that it is better to know (or have a good idea about) which sectors and geographies businesses will be operating in before conducting in-depth research on target markets. So we adapted our approach to conduct primarily desk-based research prior to selection, which helped us identify opportunities, but also evidence gaps. We then were able to purposefully design in-country qualitative research to inform the specific businesses in our cohort about girls. For example, because we had multiple energy businesses in Kenya and Uganda, we visited the urban and rural areas where these companies were operating to learn specifically about girls’ roles in procuring energy, girls’ energy preferences for cooking and lighting, and girls’ participation in household decision-making regarding energy purchase.

Recommendations

- Limit geographies to few countries. If operating in multiple countries, select those with similar operating contexts (market environments, entrepreneur ecosystems, investment climates, etc.) to leverage economies of scale.
- If operating across regions, set up a core team in each, with a strong mechanism for collaboration and cross-learning.
- Bring the businesses from different regions together to enable peer-to-peer, sector learning across cohorts.
- Recruit highly skilled, networked and proactive country managers, and then enable them to lead and make decisions as much as possible.
- Conduct in-depth landscaping research after business selection, not before, and focus on specific territories or target groups where the selected businesses operate to give the most relevant insights.

² Our forthcoming Girl Research Guide to be published in August 2019 will provide detailed description of our girl landscaping research methodology.
KEY INSIGHTS: SELECTION OF BUSINESSES

1. A highly curated approach to selection leads to the best cohort

Selection was our most important accelerator activity, as we needed the right businesses in the right balance in order to achieve impact. In our first cohort, we had an open call and selected businesses through pitch competition. An open call drew many applicants that were not an appropriate fit, such as individuals and NGOs. Relying on a pitch meant that entrepreneurs with English language and presentation skills had an advantage. We addressed these challenges by evolving our selection process to be highly curated and led by country managers.

2. Local knowledge and networks are critical to spread the word

Because SPRING required a high level of commitment with no guaranteed funding, we were not necessarily attractive to all potential businesses. We needed country managers to encourage companies which might not normally consider participating to apply. Country managers were also best placed to understand the local reputation and character of the applicants – elements that might not come through on paper.

3. Quality should be prioritised over quantity of applications

We applied a rolling shortlisting process and conducted phone interviews and in-depth visits with shortlisted businesses. Final selection happened in a closed workshop where the Selection Committee (composed of SPRING’s CEO, Investment Director, Technical Director, and fuseproject’s Partner) discussed the applicants and considered the cohort balance. Although challenging operationally, a curated approach to selection was far more efficient than scoring large numbers of applications. After introducing this curated approach, more than 80% of selected candidates were found through targeted, bottom-up scouting. Cold application accounted for 20%, retaining a competitive element to selection and allowing for flexibility in cases of missing a suitable applicant in the curation process.

4. Process should be rigorous, but flexible as needed

We had strict selection criteria and scoring metrics to ensure our application process was as fair, objective and fit-for-purpose as possible. However, there were times when a given criterion was waived if the case
was strong enough to warrant inclusion. For example, one of our businesses was an innovative, female-focused company on a strong growth pathway, which had not met the selection criterion of being in operation for at least one year prior to SPRING. Like impact investors, there was also the X factor that we noted when some companies had a compelling impact and business case, with a strong willingness to pivot and iterate in the spirit of HCD.

An entrepreneurial mindset is a critical trait in a participant

Our participants were usually the founders/CEOs, but some of our larger businesses sent a product manager or marketing manager.

While we looked for several traits – including alignment to SPRING’s goals, commitment to improving the lives of girls, and willingness to fully participate in the programme – the most important quality was that they were an entrepreneur themselves, ready to take risks, listen to feedback and adapt, and innovate. They also needed to have authority within the business to take decisions and implement change. We experimented with different sizes of business to determine where we could have the most impact. We found that working with some large corporates did not work well due to frequent changes in personnel, lack of buy-in from the board, or participants being overburdened by their day job. However, an exception was when larger companies had a committed, entrepreneurial participant (see Shreenagar). Usually, established small and medium-sized enterprises (SMEs) were best placed to absorb our support.

Recommendations

• Curate the best fit applicants through a bottom-up approach, using local scouting and in-country networks.
• Be willing to make exceptions in exceptional cases.
KEY INSIGHTS: BUSINESS SUPPORT

To kick off the accelerator, businesses were invited to bootcamp: a two-week intensive programme where entrepreneurs had a rare chance to step away from their day-to-day work and focus intensively on innovation. While this environment accelerated the development of prototypes and created unique bonding and networking opportunities, most of the real work took place after Bootcamp 1, during the following three months before Bootcamp 2.

1 Bootcamp should focus on the core curriculum

To serve our different objectives, we covered a wide range of topics at bootcamp: HCD, understanding girls, marketing, operations, branding, sales, target setting and impact measurement, and investment readiness. With the exception of the contextualised Understanding Girls module, the curriculum was the same for each region and cohort. Participants told us there was too much content to absorb in such a condensed time frame. We were not set up to provide significant amounts of support locally outside of bootcamp. If we had been, we could have restricted the focus at bootcamp to learning about how to innovate using HCD. For more on our learning about the HCD process, see SPRING’s human-centred design insights brief Scaling social businesses through design thinking.

2 Country Managers provide critical support on the ground

Bootcamps were invaluable in allowing entrepreneurs time and space to innovate, but entrepreneurs also needed continued support and feedback outside of bootcamps while they developed their prototypes. Country managers provided one-on-one guidance and advice, pushed businesses to stay on track, documented their progress from the research and testing phase to launch, provided businesses with connections, and identified additional local support as needed. Feedback from the entrepreneurs highlighted the importance of having a trusted coach to use as a sounding board throughout prototype development. Because we did not have an explicit focus on general business operations support, country managers often filled this gap, either by providing advice themselves or through finding local firms to help.
A mix of general and differentiated support to match business needs is the best use of resources

All SPRING businesses received the same core support, which included bootcamp(s), HCD expertise and technical girl insights; prototype research; brand design; and dedicated country manager support. After Cohort 1, differentiation was applied to financial support, investment readiness and additional support, e.g. low- and pro-bono technical and advisory expertise or additional funds. For example, not all businesses were seeking investment, and those interested were at various stages of readiness. Diagnosing needs and readiness for investment up front helped us focus support on companies seeking investment and that were ready to absorb support during the SPRING time frame. For more on our investment support, see Investment.

Corporates can provide valuable in-kind support, but pro bono also has limitations and trade-offs

According to the 2016 GALI Accelerator Survey, corporates are the most common funding source for accelerators. In SPRING’s original design, one of our objectives was to ‘leverage funds from private sector’. When we investigated this, it became clear corporates had no interest or ability to directly fund SPRING with financial contributions, and as a development project we were not set up to receive them. Instead, some corporates were interested in providing pro-bono or low-bono contributions directly to our businesses.

We were fortunate to have an extremely generous and aligned partner throughout the duration of SPRING: the law firm Hogan Lovells. Hogan Lovells provided pro bono services for every cohort, sending promising associates and some local in-country staff to boot camps for legal input as well as linking entrepreneurs to local legal firms in country. This support led to longer term relationships and an expanded network for several of our businesses. Our businesses also received support from creative and brand agencies, such as The Yard Creative, and financial modelling from associates at Deutsche Bank.

The total amount of pro-bono support SPRING businesses received from corporate partners was significant – valued at almost £1,000,000. However, this support also had trade-offs for the programme. Recruiting, managing and motivating mentors within corporates and linking them with individual businesses was time intensive. Onboarding volunteers to provide remote pro-bono support was hampered by issues such as poor internet connections that affected Skype calls, language differences, time zone differences and challenges in conveying local context. While some corporate volunteers went above and beyond to provide valuable inputs, others were unreliable, leaving businesses frustrated. Participants often preferred to work with (and pay) local companies to provide services, rather than paying for low-bono support from multinationals.

Recommendations

- Plan to provide significant support on the ground in between bootcamps.
- Provide a mix of general and tailored support based on need and capacity to absorb it.
- Balance the potential impact of remote pro-bono support with the resource investment required.
KEY INSIGHTS: FUNDING TO BUSINESSES

1. Grant funding should come later in the process and be based on demonstrated need and potential

Grant funding was critical to allow businesses to develop prototypes. In our initial design we supported businesses equally, providing each with a fixed, unrestricted grant. But because not all businesses had the same needs or demonstrated viability of prototypes, this blanket approach rarely facilitated prototype development and launch. Some businesses used the funding towards their general business operations, while those that did launch prototypes often did not continue with them once SPRING funds ran out. From Cohort 2 onwards we trialled a new model, making funding available later in the programme timeline and specifically for prototype development. We allocated funds based on key criteria: business need, girl impact potential, commitment to SPRING goals, and potential of funding to leverage additional investment (see Drinkwell). After the research stage, at Bootcamp 2, businesses submitted a budget proposal to fund their ‘minimum viable product’ to build their prototypes. Funding allocations ranged from £5,000 to £80,000. This flexibility encouraged businesses to use grant funding more effectively to meet their needs, and allowed us to manage a more nuanced approach to funding and hold the businesses more accountable for their spending.
Full transparency and consistency in decision-making is critical

Providing different amounts of funding to businesses based on need and potential is more difficult to communicate than offering every business the same amount. We made clear that funding was not guaranteed to businesses, both at the interview stage and later at bootcamp, when decisions about grant allocations were being made. Inevitably, businesses applied for more than SPRING could support, so we had to reiterate that funds could only be used to develop a minimum viable product to test in market. Several rounds of discussions with (and support from) country managers eventually trimmed budgets to fit within the scope of the available grant. This relied on clear, open and honest communication between staff and entrepreneurs to reach compromise solutions.

Recommendations

• Base funding and support decisions on demonstrated need and potential.
• Be transparent about the requirements and decision-making process for funding.

Funding to leverage additional investment: Drinkwell

Drinkwell, a Bangladeshi company committed to improving water quality and safety, was awarded a grant on the higher end of the funding range in recognition of its prototype’s massive scale potential. Previously focused on selling its proprietary filtration technology to franchises in rural areas, Drinkwell’s prototype sought to validate a new business model – a partnership with Dhaka Wasa, the largest water utility in Bangladesh, to install and service water ATMs that could ultimately serve millions of people in urban Dhaka. SPRING’s grant allowed Drinkwell to set up and test operations at ten sites and establish ‘proof of concept’. This funding, in turn, helped the company to secure an additional grant from the GSMA Foundation through its Mobile for Development Utilities Programme to scale the model to 90 systems, putting Drinkwell on the path to financial sustainability. With increased impact, Drinkwell attracted investment from the TPG Growth and the Rise Fund to further scale its impact to 300 systems in Dhaka by 2020.
Because we were a development programme funded mainly by governments, we had a more complex (M&E) obligation than privately run accelerators. (According to the GALI 2016 Accelerator Landscape survey, only 18% of accelerator respondents are funded by governments.) We designed our M&E system to report on business performance to our donors and to capture learning to improve our programme.³

Business interest and ability to measure progress varies widely

Since we focused on prototypes, we tracked the prototypes’ performance, not the businesses as a whole. Key performance indicators (KPIs) included revenue (overall and isolated revenue from the prototype) and external investment, and number of girls reached. While these KPIs were critically important for SPRING, they were often less relevant for businesses – particularly those without any other incentive to collect gender data and/or those where the prototype was difficult to isolate from the rest of the business. Business ability to monitor gender and age data also varied. For example, companies with digital data systems in place, or a user registration process that captured age and gender, were better equipped than those that had to estimate using sales and census data. Some businesses were used to collecting different data for different funders with different timescales, priorities and targets. For example, Sehat Kahani, a healthcare provider in Pakistan, had been tracking the number of patient visits to its clinics for a different project, but at the time had no way of tracking unique patients for SPRING.

Almost all businesses need impact measurement support

SPRING provided support at bootcamp to build businesses’ M&E capacity to define and measure social impact. The small M&E team in London responsible for monitoring programme results was the only resource available for ad hoc business support requests. This was insufficient to provide the tailored support that businesses needed. While some businesses required support navigating the donor ecosystem with its

³ The donors also funded an external evaluation partner, who conducted several separate evaluations on programme performance, business performance (for select businesses) and impact on girls.
funding applications and data requests, others hoped to move beyond measuring output level results to demonstrate significant outcomes for their users and communities; still others had specific tool and digital system development needs. All businesses, however, were aware of the increasing demand for impact data among public and private sector actors.

External demand for data is not sufficient: businesses need resources, know-how and internal motivation in order to capture and report on results. We addressed this need later on in the programme by making some additional funding for measurement capacity-building available through the BAF (see BAF text box), but we recommend addressing this common need earlier on. With developments in lean data capture and technology, impact measurement support should be a major component of future accelerator designs.

Measuring performance of evolving prototypes requires flexibility

In a typical development programme, outcomes are defined at the outset: activity → output → outcome → impact. In SPRING, business prototyping often did not result in clear outcomes, but instead created new questions and ideas. Applying a static way of working to an agile process didn’t work. The high level of ambiguity of human-centred design required us to build in flexibility to our monitoring system. Because we were working with businesses in an iterative design process, many (if not all) prototypes evolved significantly over time, requiring the refinement of customised KPIs. In order to minimise this, we delayed setting final KPIs until Bootcamp 2. We also learned it was not necessary to capture and document every detail and pivot for every business, but rather let the businesses synthesise their experiences and tell their stories. Storytelling sessions at bootcamp were invaluable for this, but also required businesses at different stages in the process to share findings concurrently. Monthly conversations with country managers were crucial to understanding their design journey.

Recommendations

- Ensure that your measurement system is meaningful for the business (and make a stronger case for utility of gender and age data).
- Integrate monitoring into the HCD process.
- Provide all businesses with in-country impact measurement support on an ongoing basis.
CONCLUSION

SPRING was a radical experiment: international and local experts coming together in nine countries with 75 businesses to build value by spotlighting girls as a new and relevant market for businesses. The focus on improving the lives of girls forced our participants to think creatively and take risks. They developed innovative prototypes and were able to test, learn and iterate over an intensive nine months and beyond.

Given the freedom to iterate on our design, we were able to build an effective accelerator model that could be applied to include girls or other often excluded groups through business. We learned an accelerator with an in-depth HCD-based curriculum can effectively drive growth with impactful businesses, that a differentiated approach to support and funding is most effective and that local rather than global support is often more valuable for businesses.