



## **Management response and action plan**

*To: "Evaluation of GrowthAfrica's support to ventures in East Africa"*

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### Evaluation context:

The evaluation of GrowthAfrica’s accelerator programme was commissioned by GrowthAfrica with the support from Argidius Foundation, a key GrowthAfrica partner and funder, to assess:

- a) The relevance, efficiency and effectiveness of GrowthAfrica’s business development services to small and growing enterprises over a two-year period between 01.01.2016 and 31.12.2017;
- b) GrowthAfrica’s contribution to outcomes (revenue growth/job creation/investment raised of enterprises); short- and medium-term results; and
- c) To understand the factors that have positively and negatively influenced results.

The evaluation assignment was carried out by consultants from ITAD ([www.itad.com](http://www.itad.com)). It has been a great opportunity to get some external eyes and input to GrowthAfrica. A big thanks to Argidius Foundation for its support.

### Recommendations and management response:

The evaluation report makes recommendations to GrowthAfrica in 3 key areas. The management of GrowthAfrica have the following feedback to recommendations:

#### 1) Targeting of enterprises

*“It is recommended that GrowthAfrica review the alignment between its value proposition and its targeting of enterprises. As part of this review, the value proposition needs to be more clearly articulated to help identify the type of entrepreneur and enterprise the programme content structure and content is targeted at. It is also recommended that GrowthAfrica and enterprises agree on the process and outcome targets for the period of GrowthAfrica’s support, and jointly monitor and assess performance against these. The targets should not be fixed but are intended to bring a clearer focus and purpose to the support of enterprises.”*

Management response: Agree

In young and developing African ecosystems one of the challenges that GrowthAfrica and its peers continuously work on is to grow and expand the pipeline of relevant ventures. While this work is ongoing it shall be expected that there will be some level of variance between the ideal and targeted programme cohort and the actual and realistic cohort composition. Hence a level of pragmatism is required.

#### 2) Type, intensity of services and cost of services

*“It is difficult to make recommendations at this point on what type and intensity of services GrowthAfrica should deliver. It is recommended that GrowthAfrica develops and operationalises its systems to capture information on the services delivered to each enterprise – the type, depth and length of service provision; and uses this information to estimate costs so some level of value-for-money assessment can be undertaken in the future. It is also recommended that GrowthAfrica revisits its capacity to deliver the range of services that it has said it will deliver to enterprises, and the intensity of the services, and actual staff requirements to deliver. Where service offerings change, GrowthAfrica should update contracts with enterprises.”*

Management response: Agree

GrowthAfrica is actively working on the development of a solution which will capture data on the support provided to each of the programme participating ventures. Part of the development process is to identify the practical balance between the desired data and the resources and costs associated with collecting and processing this data. The recommendation presents an ideal scenario assuming no resource constraints. It needs to be contextualised and reviewed based on the available resources – especially financials – and what can be additionally raised. In regards to the human resourcing of the programme then GrowthAfrica experienced a period where it was not rightly resourced. This has subsequently been addressed.

### 3) Scalable elements of GrowthAfrica's model

*"It is recommended GrowthAfrica continues to assess and review the revenue sharing agreements as part of ongoing performance improvement measures to test if GrowthAfrica's business model is scalable. Without an effective revenue sharing aspect and GrowthAfrica's ability to implement it, it seems the accelerator programme, or parts of it, are replicable [such as workshops – but only as long as other implementation challenges are addressed] but not scalable."*

Management response: Partially agree

GrowthAfrica's programmes and revenue models are continuously and organically being reviewed - and adjustments as well as larger changes are being considered and implemented. The item raised in the recommendation is only one part (of 3) of an integrated innovative revenue model (not business model) that is currently being piloted. The above recommendation is based on data from only one and incomplete programme cycle for an innovative approach that is new to our industry. It must be expected that innovations of this nature aimed at addressing the fundamental industry challenge of financial sustainability will require further experimentation and organic adjustments.

## Action plan

GrowthAfrica will be internalising and implementing the recommendations provided as per the following:

Recommendations as per the above	Agree	Action	Responsibility	Timeline
1) Targeting of enterprises	Agree	<ul style="list-style-type: none"> <li>▪ Rework with input from external experts the articulation and communication of the programme value proposition</li> <li>▪ Establish and engage with a focus group of entrepreneurs for input and feedback</li> <li>▪ Develop more "tangibility" in what the programme delivers to the participants</li> <li>▪ A concept for defining and agreeing on outcome targets with the programme participants and the subsequent lean documentation to be developed</li> </ul>	Leadership, Communications Lead	01/09/2019  01/09/2019  Ongoing  01/10/2019
2) Type, intensity of services and cost of services	Agree	<ul style="list-style-type: none"> <li>▪ Concluding the development of v1.0 of Microsoft Dynamics 365 solution for storing performance data and analytics of same</li> <li>▪ Review of programme activity performance data to be captured and how especially in regard to data collection fatigue</li> <li>▪ Strengthen the human resources to ensure the expected delivery of the programme support and services</li> </ul>	Leadership	15/06/2019  01/08/2019  Ongoing
3) Scalable elements of GrowthAfrica's model	Partially agree	<ul style="list-style-type: none"> <li>▪ Core evaluation of the current model based on feedback from entrepreneurs, investors and funders</li> <li>▪ Revise or design new model</li> <li>▪ Test revised/new model with key stakeholders and subsequent implementation</li> </ul>	Leadership	01/08/2019  01/09/2019 01/10/2019

## Process reflections and recommendations

It is the first time that an external monitoring and evaluation exercise is carried out on GrowthAfrica and its activities. From this experience there are feedback and input to be considered by organisations with a similar exciting opportunity as well as the funders supporting such insightful and learning initiatives:

- 1) A special preparation should be considered for organisations undergoing their first external evaluation. There are assumptions among all parties on the preparedness or understanding of the work, process and outcome which would benefit being discussed to avoid misalignments on for example expectations.
- 2) It is essential that key industry terminologies are defined and agreed on from the very onset. Ideally this is done in collaboration with the funding partner. This is likely to mitigate the one overriding objection we have for some of the conclusions in the reports and which in our view leads to some key misrepresentations in the report. The organisation carrying out the M&E is (typically) not a topical expert hence this preparation step would be natural to ensure the right topical contextualisation. In the case of this evaluation there is a fundamental disagreement between the evaluators and GrowthAfrica on the key terminologies: “ability” versus “willingness” to pay and “investment facilitation”.
- 3) The evaluation partners should discuss whether and to what degree the assignment mandate could/should include building internal M&E capacity as an integral part of the assignment. This would be strongly encouraged yet it is also acknowledged that will have budgetary implications. The dialogue should furthermore cover the focus and balance between: (a) The actual M&E data and insights, (b) Advice and recommendations and (c) Process and capacity building.
- 4) The sheer size of the output and the amount of time required for the multiple reviews should be discussed and perhaps be proportioned to the size and resources of the evaluated organisation. The risk here is that the M&E at the final stage simply will not receive sufficient and adequate feedback or that there is reduced ownership by the evaluated organisation.
- 5) Comparative data is often lacking or not available in developing economies and this should be pre-empted and addressed in the inception phase. It then ought to be proactively discussed what reasonable and mutually acceptable comparisons could be. Otherwise there is the obvious risk that the applied benchmark data is very western and based on completely different contexts and resources. This also and especially applies to organisations running activities in developing economies from headquarters and resources based in the West.
- 6) There is an accelerating data collection fatigue among most high potential entrepreneurs, and it should be proactively discussed how the M&E data collection can be done in the most effective manner. For example, how can the data collection be timed to “tag along” existing or other data collection efforts or conversations with the concerned entrepreneurs.



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