

Women Innovators Network in the Caribbean (WINC)

Draft Program Implementation Plan

Background

While women across the Caribbean are outnumbering their male counter-parts in educational attainment and university enrollment, and make up a substantial fraction of heads of informal and micro-scale companies, female entrepreneurs face significant challenges in scaling up their businesses and are lacking the support to negotiate these difficulties.

infoDev, a department in the World Bank focused on supporting entrepreneurs and start ups and spurring innovation, conducted a scoping mission from 5 – 16 March 2012 in order to determine the need for support for growth-oriented women entrepreneurs in the Caribbean. This is part of a broader infoDev program called the Entrepreneurship Program for Innovation in the Caribbean (EPIC), a seven year program in partnership with the Canadian government, designed to create and grow competitive micro, small and medium enterprises (MSMEs) across the Caribbean region. The intention of this mission was to meet with relevant stakeholders on several islands in order to understand the challenges facing women entrepreneurs, and specifically of those that are growth-oriented. Antigua, Barbados, Jamaica and St Vincent were included in the mission since they represent different sized islands and preliminary research indicated that in all of them, women business owners are running predominantly smaller companies compared to men, suggesting that there are constraints to growing women-led enterprises.

The scoping mission found there is a demand and need to warrant designing and implementing a program to support women entrepreneurs in these four countries. Therefore an initiative has been developed to implement phase 1 of the program. Due to funding limitations it is probable that phase 1 will entail implementation of the programme on two islands initially, and once success can be demonstrated, that additional support will be garnered to implement the programme on the remaining two islands, and additional islands where the expected impact could be influential.

This document summarizes the findings of the mission, and the structure of the proposed program

Common challenges facing entrepreneurs across the region

Based on the findings of the scoping mission, it is evident that there are many challenges facing entrepreneurs in the Caribbean, with some being specific to women entrepreneurs. These include:

- Difficulty in accessing funding (operational and capital) for growth because of:
 - lack of collateral - in many cases women do not own property as it is registered in the name of their husbands
 - banks don't lend against a business plan, even if is a good one
 - gender bias still prevalent – there is anecdotal evidence of a funding request being rejected by a banker and the reasons given were because the applicant was “young and a woman”
- Lack self-confidence

- Women are generally more risk-averse and hence are less willing to borrow money for investing in their business
- There is a culture of non-collaboration and an absence of “peer sharing” due to a lack of trust

Therefore, designing a program to eliminate these challenges and support women entrepreneurs in growing their business is warranted.

The Women Innovators Network in the Caribbean (WINC)

Given the challenges above, there was consensus that carefully targeted support could indeed positively impact on women entrepreneurs, and more specifically those who wished to grow their businesses. It was agreed that the main focus of the program should be on ‘growth oriented entrepreneurs’ as these could influence the socio-economic environment of the respective country as they created products, services, jobs and taxes for the country. However, it was also recognized that in order to create a pipeline of growth businesses, consideration should be given to reaching out to the informal sector – a group of vulnerable women who receive very little assistance. The intention would be to create a channel for those women with aptitude and interest in developing growth businesses, to receive appropriate support enabling them to move their businesses to the next stage of development.

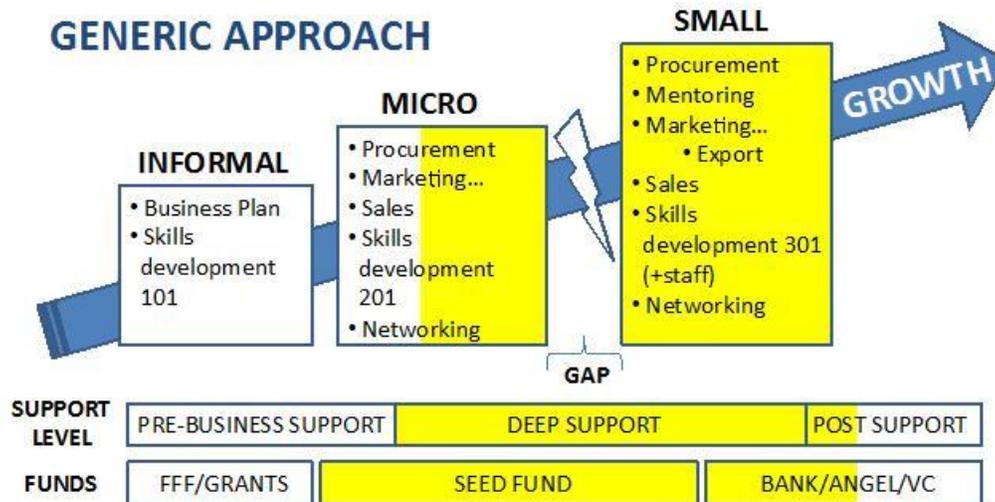
Program Objective

The objective of WINC (the Program) is to grow the pipeline of growth entrepreneurs, as well as assist those who are already running businesses and wish to grow them. The focus will be on assisting those women who have entrepreneurial aptitude and ambition to move ahead, to grow and develop companies into sustainable entities. There will therefore be two areas for assistance provision:

1. Working with existing organizations that are servicing the informal business sector, to encourage and facilitate business growth from ‘informal’ to ‘micro’ (a small component of the program)
2. Developing and implementing a program to facilitate growth from “micro” to “small” for existing entrepreneurs (a large component of the program).

Program Design

WINC will support growth oriented women-led businesses by providing targeted assistance to entrepreneurs and their companies. This is illustrated in the following diagram, showing three stages of business growth and the proposed types of support at each stage to assist these companies to grow.



Qualifying applicants to WINC will be grouped to receive support as defined by their stage of development and associated needs. For Level 1 companies: informal – micro, ‘shallow support’ in the form of entrepreneurship awareness and basic business training for numbers of interested participants will be provided. For Levels 2 and 3, micro – small, and beyond, ‘deep support’ will be provided in the form of one-on-one support and hand-holding for a select small number of qualifying participants (Assuming a roll out in 4 countries, estimates of the number of levels 2 & 3 companies that will be assisted over each 3 year period, are 8 companies in Antigua; 5 in St Vincent; 10 in Barbados; and 15 in Jamaica).

Qualifying criteria for start-ups for different levels of support

Level	1: informal to micro	2: micro to small	3: small to medium and beyond
Type of Business	Informal	Registered business	Registered business
Qualities of business	<ul style="list-style-type: none"> - Survivalist - No plan for the business - Aspirational entrepreneur 	<ul style="list-style-type: none"> - Local market only - Self-employed - Potential to become “investible” - Aspiration to grow business 	<ul style="list-style-type: none"> - Potential to export to regional/global market - Self-employed - Investible - Aspiration to grow business

Level 1: informal to micro (small component of the program)

Support will be affected through the building of strong links with organizations working with women running ‘survivalist’ businesses. The focus will be to sensitize these business owners to the possibility of developing into a growing business, what is required and what support is offered. They will be

encouraged to aspire to the next level of business development. The reality is that most survivalist businesses do not aspire to become growth businesses, hence although the expectation is not that there will be many women moving from informal to micro, an opportunity will indeed be created for those wishing to move ahead. These will be the women who wish to break from their existing paradigm.

The proposed methodology is to work with organizations that are already servicing this business community to some extent. Existing gaps in basic business training will be jointly identified and relevant additional training programs and an appropriate delivery methodology developed and applied. A key success factor will be finding an organization(s) that is adequately connected to such communities and interested in building their own capacity to service this market.

Levels 2 and 3: micro to small, medium and beyond (major component of the program)

Participants will be existing business owners who wish to grow their turnover, profitability, and staff complement. These could be early stage businesses (Level 2) or slightly later stage businesses (Level 3). The early stage businesses (Level 2) could require a better understanding of: what business they are in; the importance of differentiation for sustainability; positioning for differentiation including branding, packaging and labeling their products appropriately; the importance of developing a product portfolio; and funding their business. Addressing these knowledge gaps will be via one-on-one coaching, aided by facilitated peer-discussion groups on topics of relevance, as well as by participant-centered training on topics as identified by the group as necessary and important.

The later stage businesses (Level 3) could require assistance with growing their market share with an emphasis on accessing new markets (regional and global export markets); compliance with international standards for export; developing internal business systems for growth; developing an appropriate organizational structure with associated matching resources; attracting and accessing funding for growth. A great opportunity exists in engaging the Diaspora to open new markets for Caribbean products. Assistance will be provided in the form of one-on-one coaching, plus via facilitated peer-discussion groups on relevant topics.

Personal coaching is important to address some of the softer issues, e.g. changing internal beliefs preventing required paradigm shifts; building self confidence and esteem; understanding one's own value system and checking for required business alignment, etc. Addressing the softer issues realizes real "empowerment", resulting in more confidence in the business environment, and hence is seen as an important component of the program. Personal coaching will be offered to entrepreneurs who are participating in Levels 2 and 3 of the WINC.

There are existing organizations providing certain services to entrepreneurs (business training and generic support) and in some cases there appears to be considerable overlap in activities and target markets. An opportunity therefore exists to encourage organizations to collaborate with each other to complement their service offerings and offer more comprehensive support to entrepreneurs. However current services do not appear to be adequately addressing the needs of growth enterprises specifically who have a requirement for 'deeper', one-on-one support. This program will therefore address the

requirements of growth enterprises by providing one-on-one support, as well as facilitate collaboration between organizations such that they provide comprehensive support to early stage enterprises.

Implementation Structure and Roadmap

In order to achieve economies of scale, WINC will be managed by a Regional Partner that will appoint an Incubation Manager for each island (see below), as well as have an appropriate arrangement with a Local Host on each island as a business support organization. In order to ensure long-term sustainability, a business model must be developed - which will be the responsibility of the Regional Partner. The main revenue stream envisaged is from participants in Levels 2 and 3 who will be expected to contribute financially to the Program in the form of royalties and/or cash realized from equity stakes, and commissions raised from assisting these entrepreneurs in securing funding. In time, this program to support women entrepreneurs running growth-oriented businesses may evolve from a self-sustaining multi-year initiative into a self-sustaining autonomous organization having its own legal and governance structure. Hence the Regional Partner, which will be an already existing organization working across multiple countries throughout the Caribbean, will play an important role in developing the business model and managing the Program such that with time it evolves into a sustainable entity.

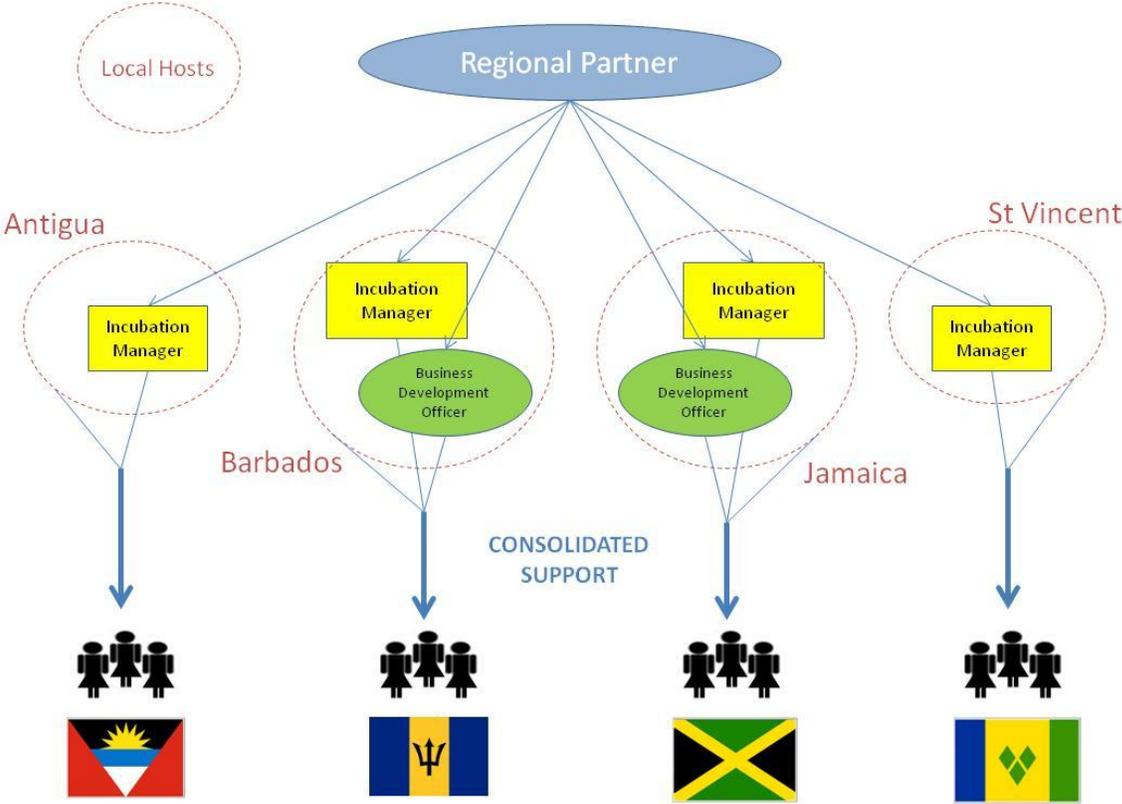
Given that many enterprise development organizations on the islands do not have extra capacity and in most cases are resource strapped, it is proposed that an 'Incubation Manager' is appointed on each island, as a resource of the Program and managed by the Regional Partner. The Regional Partner will collaborate with a Local Host on each island who is willing to provide support for the Incubation Manager and his/her activities. The Local Host will engage with the Regional Partner and infoDev to identify knowledge gaps that may exist in current training programs/discussion fora and in conceptualizing new/additional programs and activities to address these. There should be close alignment between the objectives and activities of the Local Host and those of the Incubation Manager, such that the benefits of cross-fertilization and knowledge spill-over results.

The Incubation Manager will be physically located at the Local Host organization and will have access to their infrastructure (office space; meeting rooms; ICT facilities). The Incubation Manager will coordinate a 'virtual incubation program' providing the support for Levels 1, 2 and 3 entrepreneurs. WINC is virtual in the sense that the entrepreneurs assisted will not be housed in the same location as the Incubation Manager, and the Incubation Manager will be managed by a Regional Partner that may be located in a different country. The training and services will be delivered through a combination of in person meetings, events and online support (but not solely limited to a digital platform, as is often understood to be the case with virtual incubation). The Incubation Manager will be responsible for delivering training to Level 1 entrepreneurs, and providing business coaching and facilitating peer-discussion groups (as per Springboard methodology) for Levels 2 and 3 entrepreneurs. He/she will also be expected to identify specific knowledge needs that might be required by Level 2 and 3 entrepreneurs, and appropriate service providers who can address these. He/she will work with the Regional Partner to assist Level 2 and 3 entrepreneurs with internationalization.

The Incubator Managers will be trained in incubation management, as well as ‘personal development’ coaching such that they can offer this to their entrepreneurs. In addition they will be expected to assist the entrepreneurs with the sourcing of quality and reliable suppliers; aggregation to achieve more competitive prices; sourcing technical assistance to facilitate maintenance of equipment; provide access to testing facilities; establishing links with the Diaspora; and providing information on concessions and available business development services and consultants. They will provide the necessary “hand-holding” as may be required by the entrepreneurs.

Where more than 7 entrepreneurs are part of the program (as is likely in Jamaica and Barbados) the Incubation Manager will be assisted by a Business Development Officer, to be appointed and managed by the Regional Partner.

Each Incubation Manager will be responsible for managing his/her own budget and will be accountable to the Regional Partner. The Regional Partner will, in coordination with infoDev and the Incubation Managers, develop a sustainable model for the program, which will include generating income streams resulting from the successful growth of the entrepreneurs participating in the Program.



Program impact

In the case where the program is rolled out in 4 countries, approximately 40 growth entrepreneurs should be assisted in moving their businesses from micro to small (and possibly beyond) over each 3 - 4

year period. Assuming that approximately 10% of these are highly successful and become “big-hitters”, and that each of these generates, from year 4 onwards:

- an average of 5 additional jobs each year
- doubles turnover each year starting from an average low base of \$5,000

then over the length of the Program (6 years from implementation), on aggregate more than 120 jobs will have been created (4 companies x 5 jobs x 6 years); and \$160,000 additional taxable turnover (\$5,000 x 4 companies x 2 x 2 x 2) generated by these companies. If the baseline turnover of the participating companies is higher, then so too will be the generated turnover, e.g. starting turnover of \$10,000 should result in an aggregated taxable turnover, after 6 years, of \$320,000. Greater impact can result if the number of “big-hitters” is greater, the turnover increase is greater than double, and/or the starting turnover is higher. These are all variables that will influence the business model and the eventual sustainability of the Program.

In addition, the impact from working with Level 1 entrepreneurs through WINC should ensure a growing stream of aspiring growth entrepreneurs for the Program. A detailed monitoring and evaluation framework will be developed with targets such as those described above, and the Program periodically reviewed to assess the success and adapt where necessary to meet the targets.

Annex

Country specific Opportunities

Antigua

Two potential implementation partners are GARDC (The Gilbert’s Agricultural & Rural Development Center) and ABIA (Antigua and Barbuda Investment Association). Where GARDC typically focuses on technical skills development (mainly in the agricultural sector), also with and increasing focus on youth, ABIA focuses more on business skills development for early stage businesses. These organizations are currently not well resourced and therefore would require additional support.

Although the market is very small, there is still considerable tourist traffic generated by the cruise ships. However, although the number of tourists visiting Antigua appears to have remained constant, their spending power seems to have declined considerably. Furthermore there has been increasing competition from foreign vendors offering cheaper products.

The sectors of activity for women entrepreneurs appear to be:

- Crafts and jewelry (tourism)
- Agroprocessing
- Mixed use

The target markets are local and regional.

The assessment made by the mission team was that the Antiguan environment would be supportive of a targeted intervention, and the likelihood of successful implementation and positive impact was fair.

Barbados

The Small Business Association in Barbados appears well linked into the entrepreneurial ecosystem and has established relationships with NGOs. The CEO herself is also an entrepreneur.

The women entrepreneurs attending the focus group meeting appeared to be generally more aspirational than on the other islands, and were running more mature businesses. However, there is a high cost of doing business in Barbados. This includes high costs for utilities and rentals (in spite of available concessions to work away from home); high costs associated with the testing of products in the US; and high costs associated with service providers. It was also mentioned that the high port costs result in fewer ships docking to offload goods, which impacts the availability of goods.

Sectors of activity for women entrepreneurs appear to be:

- Creative Industries
- Agroprocessing
- Services

The target markets are local, regional, and global (Canada, US, UK)

The assessment made by the mission team was that the Barbadian environment would be supportive of a targeted intervention, and the likelihood of successful implementation and positive impact was high.

Jamaica

There are existing organizations that are actively engaging with entrepreneurs and providing relevant support in Jamaica. The Jamaica Business Development Corporation (JBDC) is one such organization. It has 11 satellite business centres situated in the respective communities providing equipment and services to the entrepreneurs in those communities. The JBDC appears to be a well-resourced organization managed along commercial lines. It has developed some sales outlets for the entrepreneurs it assists, including a “made in Jamaica” shop at the Jamaica Airports.

The National Commercial Bank of Jamaica has expressed a strong desire in developing an “unsecured” lending facility. There may therefore be an opportunity to match their funding and hence create a sizeable pool of funding for entrepreneurs with a feasible business model.

JAMPRO, which currently provides assistance to Jamaican businesses wishing to export, plans to expand its services to include “in-market broker” assistance. This would entail having an expert “on the ground” in the respective export country to assist the Jamaican exporter with practical issues, for example, keeping the product well positioned in the store; marketing the product in the new export country, etc. However, such assistance would require additional resources.

Potential sectors of interest include agro-processing, creative industries and services. Target markets are local, regional, and global (e.g. Canada, US and UK).

The assessment made by the mission team was that the Jamaican environment would be supportive of a targeted intervention, and the likelihood of successful implementation and positive impact was high.

St Vincent

Domestic violence is a serious problem in St Vincent. This is exacerbated by the prevailing poor economic conditions (the mission team were informed that the visiting cruise liners had declined from over 90 per month to approximately 25 per month). Furthermore, it is not clear whether the government explicitly supports private

sector development – evidenced by the fact that the grants to the Centre for Entrepreneurship Development (CED) and the Chamber of Commerce, have recently been cut drastically. The CED appears to have experience and a track record in the provision of support for entrepreneurs, but as they are under-resourced, their current service provision was very constrained.

There has been talk of the new E-business Incubation program that was to be set up using World Bank funds, but the challenges for this new institution could include positioning for global competitiveness, as well as dealflow (number of IT entrepreneurs that would need to make use of their envisaged services).

Although the mission team did not meet with Winfresh, this was a government owned private company set up to manage the packaging and export logistics of fresh produce from the farmers, exploration of their distribution networks could be a potential opportunity.

The sectors of activity for women entrepreneurs appear to be:

- Agroprocessing
- Crafts
- Mixed use

The targeted markets are local and regional.

The assessment made by the team was that the St Vincent environment may be supportive of a targeted intervention, but because of the many challenges the likelihood of successful implementation was moderate to low. However, there was consensus that if successful implementation was achieved, this would in fact have a high positive impact.