

I N F O C U S P R O G R A M M E

S e e d

boosting employment through
small **e**nterprise **e** **d**evelopment

Facilitating Enterprise Visits as a Business Opportunity

The FIT Manual Series



International Labour Organization
Geneva

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Foreword

This series of manuals reflects the experiences of the ILO's FIT programme, gained over several years in various countries. The original mandate of FIT was to consider how donor-funded supporting services for Small Enterprise Development (SED) could be made more accessible to a larger proportion of the total target group. The challenge was thus to increase both the quantity and the quality of employment opportunities in the small enterprise sector, in ways which were harmonious with the dynamics of the private sector itself.

The manuals make FIT's experiences to date available to all those wishing to achieve similar goals. They document an approach which has aimed to tailor services to meet demand as precisely as possible. By being fully demand-led, the approach respects the perspective and priorities of those in the small businesses. By working as much as possible through private-sector channels, the approach also aims for sustainability and so for substantial scale and outreach.

More information about the FIT approach can be found on the ILO web site (www.ilo.org), and in various publications, including "The Wheels of Trade: Developing Markets for Business Services", published by IT Publications of London, UK.

This manual has been based on a wide range of experiences in facilitating enterprise visits – a service which many people in small enterprises want, now, and indeed often aim to organise on their own initiative. During visits to other enterprises, people can find out about more productive and safer processes, innovative products and improved managerial skills; they also generally gain self-confidence, promoting improved relations among the work force after their return home. While exchange visits have been used for many years in (for example) agricultural extension, this manual presents first experiences in providing the service in a private-sector format.

The FIT programme was launched with funding from the Government of the Netherlands, and this is gratefully acknowledged. Various other donor agencies have funded discrete activities that have enriched the experiences outlined in this manual; these agencies include the Government of Austria, UNDP and the European Development Fund. Again, these contributions are gratefully acknowledged.

Those who are interested are invited to contact the FIT team at the ILO headquarters in Geneva for further information. In particular, this manual is also available in Spanish, on request. In conclusion, we trust that it will increase opportunities worldwide for people to have access to Decent Work.

Jim Tanburn
FIT Programme Coordinator
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1. About this manual

The target group

This Manual is aimed at those agencies which support the development of micro and small-scale enterprises (MSEs) in order to stimulate the creation of high-quality employment. More specifically, it is targeted at agencies that are interested in promoting high impact, self-sustaining Business Development Services (BDS)*

The material in this manual will also be of interest to all agencies concerned with the process of action research required to develop innovative and sustainable BDS.

Many practitioners assert that BDS are needed, if MSEs are to innovate and expand. There is widespread interest in the development of BDS which can become self-sustaining.

Rather than asking what non-financial services, or BDS, an expert would recommend, it is appropriate to ask: what services do MSEs feel that they need? One clear answer is that MSEs want to visit other enterprises.

The rationale

Research shows that groups of MSEs already organise exchange visits with other groups (e.g. Mathuva, 1996), often as the only business-related service which the group provides. MSEs feel that such visits will be valuable in various areas, giving them exposure to new product designs, new production technologies and skills, improved management skills, and new markets and suppliers.

The content of this manual is based on feedback from about 1,400 MSEs who have been involved in visiting enterprises in Kenya, Uganda, Tanzania, Ghana, Togo, and Burkina Faso. Annex A is a chronological listing of these visits and references.

A section is added on Brokering Workshops which bring MSEs together in a 'neutral' location, to exchange ideas, knowledge and contacts. While this format is less obviously in demand by MSEs, it also provides substantial impact, when facilitated in the right way. It is therefore included, so that the concept can be further test-marketed.

The private sector already provides virtually all of the services which MSEs need and use in their daily operations, and there are many opportunities to enhance the effectiveness of those services. FIT is therefore also working with local partners on a range of other services which have the potential to be provided, not just sustainably, but as commercial operations. Further covering other BDS with the potential for sustainability will be published shortly.

2. The benefits of Enterprise Visits and Brokering Workshops

The qualitative impact

The qualitative benefits observed in, or cited by, the MSEs participating in various Enterprise Visits and Brokering Workshops are given below. Both types of interaction highlight the value of the exchange of experience between MSEs. Significantly, several of the benefits relate to improved working conditions and employee relations. Illustrative examples and quotations are given in italics.

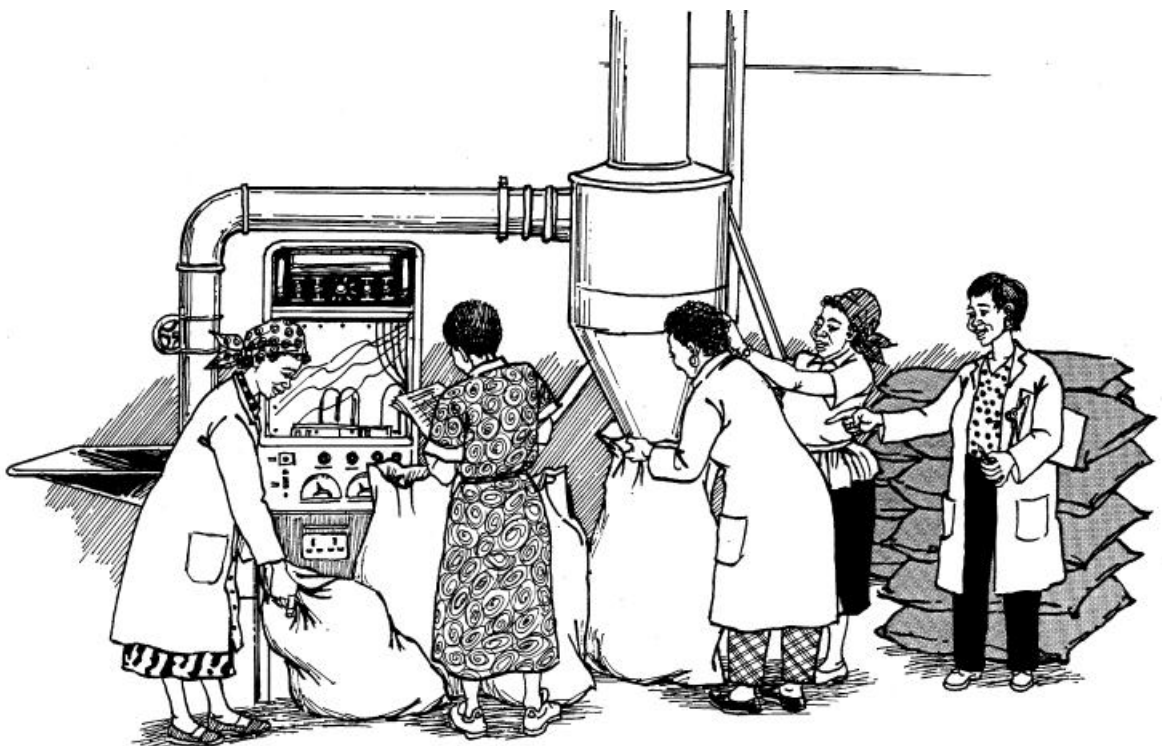
Technological improvements

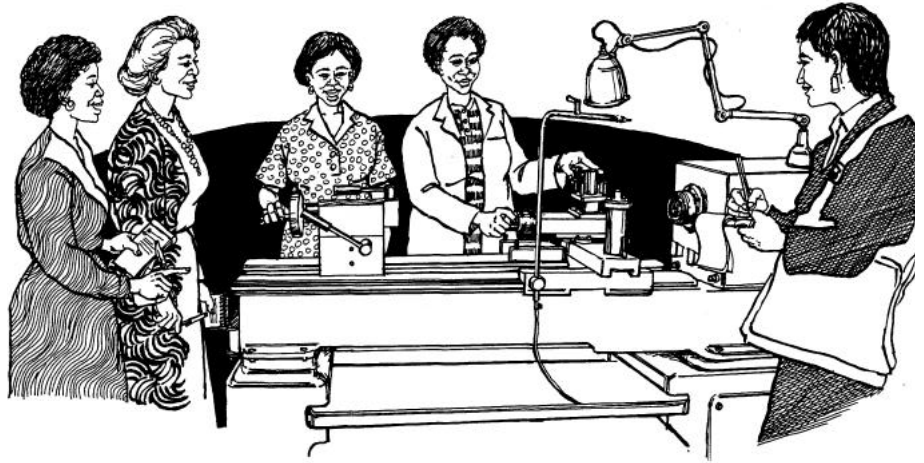
Information about, or access to, better and safer production technologies, including the tools, spare parts or repair services required

“My visit to UNGA [a major flour miller] in Nairobi has given me confidence as a businesswoman. I acquired knowledge about tools and equipment that can reduce the dust in the posho [maize flour] mill.”

Women millers from Ghana visited their counterparts in Burkina Faso, and were particularly impressed to see a barrier placed between the engine and the mill, to protect the worker from injury, in case the drive belt flew off.

Following Visits between Ghana and Togo, one women's group successfully repaired their equipment, and another procured new equipment, using knowledge and contacts gained during the Visits.





“I spent 7 days at the Nairobi Safari Club (Hotel in Nairobi). Learning about meat treatment was very useful so that it can be safely stored for a long period of time. One of the new things I saw was in the area of leftovers management. I can now use food I normally wasted to make soup.”

A miller noted that, during a Visit, he “learned how to change the machine teeth and how to change the bearings. This has helped me a lot since I am far away from any repairer.”

- Information about, or access to, new product designs, including the associated packaging or storage processes

MSEs which had met with other MSEs during a Brokering Workshop in Kenya introduced the following products or services within six months of the event: chicken feeders, water heaters, fruit trays, metal beds, chairs and windows, flower pots, meat products, general grocery, grinding of chicken feed, meat products and hair styling (“for customers’ wives”).

MSE food processors introduced a wide range of new products, after visiting larger businesses; these included: somosas, chapatis, egg chapatis, mayonnaise, cakes, scones, doughnuts, soups, bread, new types of sweet, cold sodas, rice dishes and pastries.

Ugandan metal workers who visited Kisumu in Kenya found ideas for new products, including toys, lamps, briefcases, carpentry planes, pedal-operated milling machines and foot-operated irrigation pumps.

MSEs visiting Nairobi from Kisumu learned designs for improved cooking pots, adjustable meat roasting stoves and improved metal boxes, as well as new sources of materials and spare parts.

Improved Management skills

- Better employee relations, particularly for women entrepreneurs

92% of entrepreneurs who had made Enterprise Visits to larger companies reported that they had learned to make improvements in employee relations; a number emphasised this aspect. One said, "I now exchange ideas with them."

- More effective ways of organising production and labour, achieving greater productivity and more satisfactory working conditions for employees

A woman who had visited a Nairobi hotel noted that now "each one of my workers has his responsibilities or special assignments. In the kitchen, the head cook is responsible for the food only, if there is a mistake or complaint, he has the blame. Washing dishes is assigned to a particular person, so is the service area. This way each one knows their working area and responsibilities which makes the whole running of the business much easier."

Another woman entrepreneur noted "I personally have developed a lot since the workshop and the exchange. I now know how to delegate work to each one of my employees and this way everyone has enough to do without my supervision, and (I know) that the work is going smoothly and my customers are all happy and well taken care of."

Following exchange visits between women's groups in Ghana and Togo, five of the groups re-organised themselves into smaller and more effective production units. One of the groups hired a woman to operate their mill, even though the job is usually given to a man. The revenues of that group increased 7-fold during the following 8 months.

- Appreciation of the value of keeping records, and adoption of simple methods of record-keeping.

All entrepreneurs who visited larger companies reported that they had learned about record keeping.

Following participation in a Brokering Workshop, a metal-worker hired a book-keeper to help him in his business.

Marketing improvements

- Increased empowerment and enthusiasm for business expansion

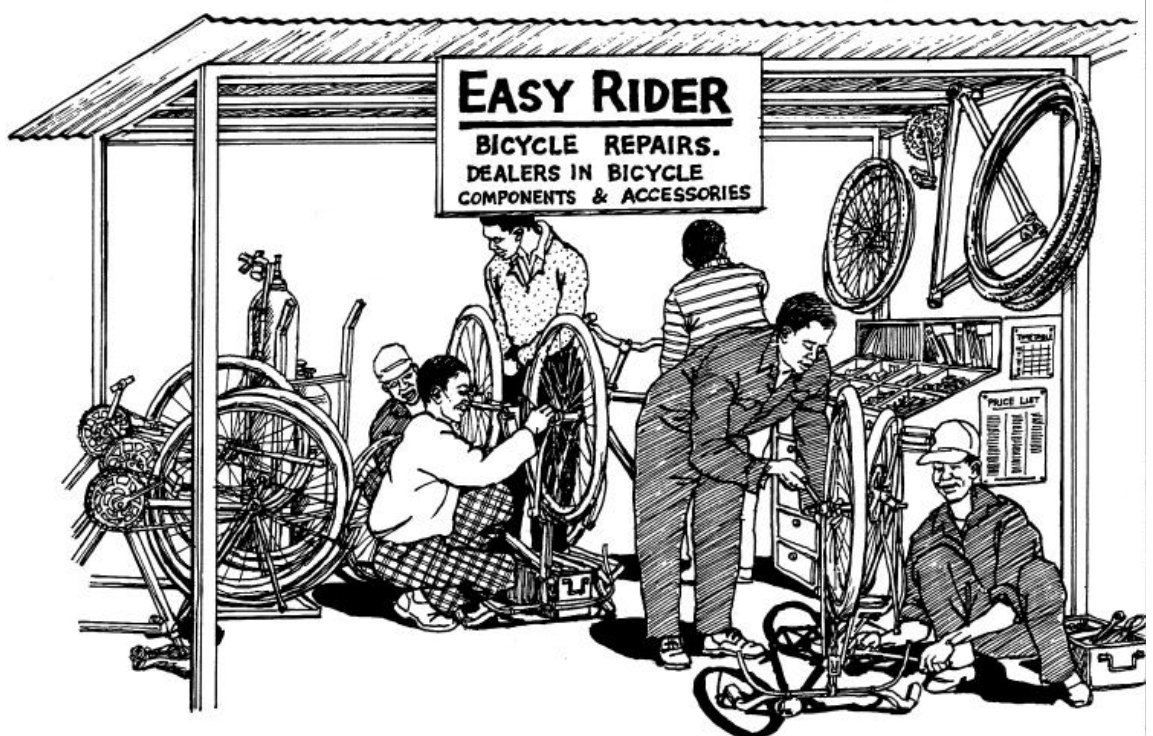
One entrepreneur noted that her participation in a Brokering Workshop “has inspired me even more and I’ve developed more interest in my restaurant business as well as different businesses. I’ve added a store since the Workshop and now I’m supplying my restaurant with the commodities using a delivery book. I am looking forward to having my own butchery and firewood/charcoal den so that I supply my restaurant with everything without taking the sales elsewhere as well as selling the same to my neighbourhood clients.”

- Increased awareness of the importance of customer relations and customer satisfaction

92% of entrepreneurs visiting larger companies reported “improved communication with customers” as a result.

For example, a bicycle mechanic noted “even though I am a disabled man, many people like me and they like my work very much because these days I know how to talk to them as well as talk with my employees”.

Another entrepreneur commented: “I learned to listen to customers and check on whatever the order is before it is delivered.”



One entrepreneur bought a water boiler “for my clients’ comfort as well as hygiene”.

- Improved advertising, display or packaging

Inspired by an Enterprise Visit, one entrepreneur repainted her restaurant.

Another entrepreneur started keeping the premises cleaner after realising the importance of this during a visit to a similar business.

In one case the entrepreneur moved the business entirely, to another site where there were more customers.

- Ideas for new markets or new products to reach niche markets

A metal-worker started to sell hoes wholesale, after seeing other enterprises doing this during a Visit.

A food processor started to maintain daily contact with restaurant clients, and found a way to start supplying schools.

- New business contacts for potential markets

75% of entrepreneurs visiting larger companies said that they had made new business contacts; these included both new customers and information on new markets.

***Improved
relationships or
opportunities for
networking***

- New relationships with customers, suppliers and service providers

A series of Brokering Workshops between MSE metal-workers and local merchants led to the placing of orders for 25 new products by the merchants.

- Arrangements to share tools, equipment, accommodation, or other services with peers.

Following one Brokering Workshop, a group of MSE metal-workers opened a bank account, and have started to save for their own bulk purchases of raw materials.

A blacksmith noted after attending another Brokering Workshop, “I have added another wooden store where I shall stock metal/steel materials in order to sell to my fellow welders/blacksmiths on a retail basis but be cheaper than the traders who monopolise the market. I can make more money this way and also save travel costs to Nairobi for me and my colleagues.”

- Arrangements to continue to stay in contact or conduct further visits without the assistance of an intermediary organisation

The quantitative impact

During a Visit by MSEs from Machakos, (Kenya) to Arusha, (Tanzania), many opportunities for trade were identified. For example, cloth and ready-made clothes were found to be much cheaper in Arusha, and Kenyan MSEs started to import and sell them. On the other hand, a shortage of shoe soles was identified in Tanzania, and these are now being brought in from Kenya. Most of the visitors said that they intended to go back to Arusha, this time on their own.

MSEs who have made visits show visible improvements in their turnover and employ additional people in their expanding businesses.

For example, one evaluation of MSE entrepreneurs who had visited other enterprises found that 80% had improved the quantity, quality and volume of products sold, thanks to the visits. On average, each MSE had taken on more than two extra employees and 58% had used the extra profits to increase their stock or expand their business in other ways.

But the extra profits had also been used by some to diversify into other businesses.

For example, one entrepreneur had used the extra profits to set up a business for his wife, another had bought a water pump for his wife’s garden and pig-raising activities.

Extra profits were also used by other entrepreneurs for social applications.

For example, six entrepreneurs had used the extra profits to pay more school fees, some had cleared debts, one had bought a plot of land, and another a goat.

In another evaluation, profits of participants in a Brokering Workshop were found to have increased six months later by an average of 24%, with women entrepreneurs doing particularly well. An additional 0.4 jobs per MSE participant had been created.

Quantifying impact can, however, be troublesome. FIT has prepared several manuals on this subject, outlining the issues and proven or proposed solutions (Wesselink, 1995). For example, some of the visitors quoted above were already clients of a micro-credit institution and the pool of clients was therefore too small for a control group to be formed.

Why are visits so effective?

Nonetheless, it is evident that visiting MSEs were empowered to innovate, as a direct result of the service. In saturated markets, this is a major achievement.

As significantly, neighbours of visiting businesses have noted the positive impact, and have organised their own visits, entirely on their own initiative.

Enterprise Visits are effective for the following reasons:

- They enable entrepreneurs to determine what they will learn.
- They allow entrepreneurs to determine how they will learn, selecting from a flexible combination of research and learning methods, such as observation, listening, questioning, probing, discussion, demonstration and voluntary experience sharing. ‘Discovery’ learning results in more permanent behavioural changes.
- The visitor can see immediately the value and relevance of what is being learned because someone else is evidently making a good business from it.
- The visitor is actively engaged, and can even join in the activities of the host business e.g. try out a new technique.
- They enable MSEs to forge relationships and connections which they can cultivate and build on in the future. This can reinforce the learning experience, as well as generating opportunities for commercial linkages in the future.

- They offer exposure to new environments and contact with others who face similar challenges which enhances the self-confidence of the visitors. 'Technological confidence' has been identified as the key factor in determining whether entrepreneurs are innovative or not.

The exact types of Enterprise Visits which are in demand may vary considerably, depending on the perceptions and priorities of local MSEs. The only sure way to identify the greatest demand is to offer a range of opportunities to make Enterprise Visits with a range of hosts, durations and scope. The most popular Enterprise Visits can then be expanded while the less popular ones can be dropped.

3. Organising Enterprise Visits

General principles

Based on FIT's experiences, however, the following general principles have been developed, as an initial guide:

- The further away the host, the more interesting the Visit is for the visitor (and the less threatening it is for the host). Enterprises in neighbouring countries are generally the most attractive.
- MSEs are particularly drawn to visit other enterprises, if they are aware of a process or skill which is of interest to them, and which is in use in that enterprise. Some MSEs are most keen to visit larger enterprises, while others are most keen to visit enterprises of a comparable size. (To date it seems that food processors and wood-workers are most keen to visit larger enterprises, while metal-workers are most keen to visit other MSEs.)
- The host enterprises should be in the same sub-sector as that of the visitor, or at least closely related.
- The degree of interest in visiting potential customers, suppliers or other types of enterprise varies considerably between countries. In countries where inputs are easily found, for example, interest will not be so great, unless the linkage is obvious e.g. demonstrations of new types of equipment.
- Entrepreneurs are not yet interested in making visits individually. They prefer to travel in a group which they have formed themselves. This applies particularly to women and to visits to locations which they have never visited before.



- Facilitation should be carried out by an organisation which is seen as a commercial, rather than as a developmental, entity. Charging for the full cost of the service must be emphasised from the start.
- Facilitation can be offered on a ‘minimalist’ basis. Intensive preparation and follow-up do not significantly affect the impact but do increase the cost very substantially.
- MSEs which already have access to credit, e.g. through micro-credit institutions, apparently make better customers for Enterprise Visits. They seem to be more willing and able to pay and to show more benefits in their businesses after the Visits.
- Visits should last about one week. Entrepreneurs should be given 1-2 months notice so that they can save the money required.

Applying the principles

*Travel agency:
The ‘pro-active’ approach*

The practical application of these principles is considered in the formats proposed in the following Section.

Travel agents can facilitate Visits, by offering a package tour. For a one-off payment, the company will provide transport, accommodation and introductions to host businesses of interest to the visitor; clearly, the hosts will also have made some preparations to receive the visitors.

Example advertisements are given on the following page.

In the travel agency advertisements, one of the visits points to the possibility of co-sponsorship with a related company or organisation. The purchasing power of visiting MSEs should not be underestimated. One small-scale entrepreneur who recently attended a course in computer-aided design in Ghana promptly bought his own computer after the course. Collaborating companies can therefore be encouraged to give significant discounts to visitors in addition to preparing demonstrations and seminars. Possible collaborating sponsors include:

- suppliers of basic tools and equipment. FIT is particularly interested to work with suppliers of safety equipment, such as goggles, gloves, and ear defenders, to promote their sale to, and use by, MSEs.
- suppliers of specialised equipment. For example, metal-workers are frequently interested in seeing MIG and TIG welding, the heat-treatment of steel in ovens, punching, extrusion, and paint spraying.

OMEGA

TOURS AND TRAVELS

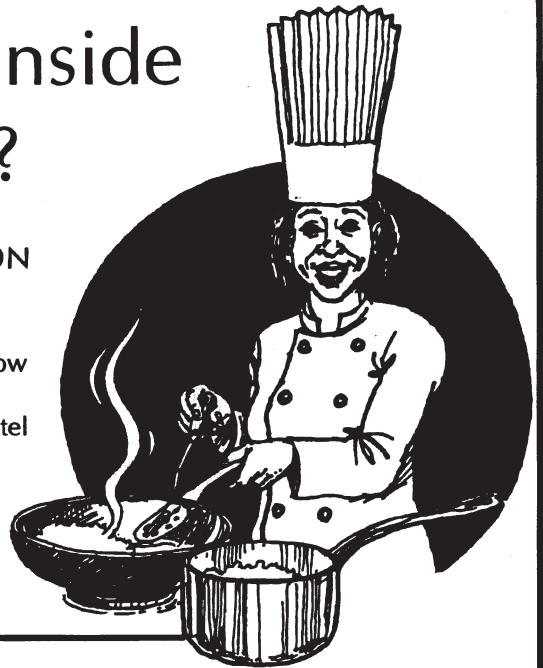
Learning Trips for People with Small Businesses
'Sign up, and watch your business grow!'

OUR CURRENT OFFERS:

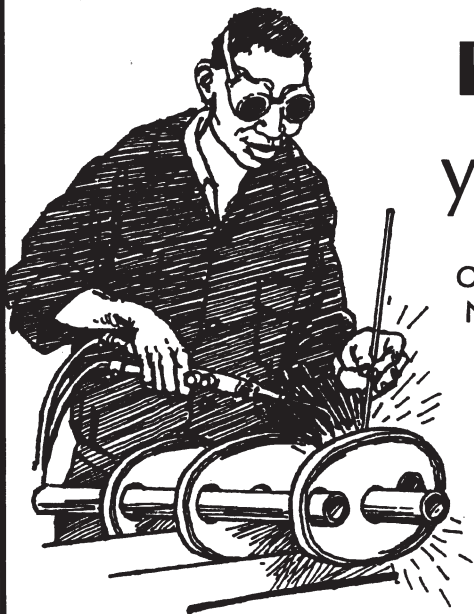
What really happens inside the largest restaurants?

LEARN ABOUT ABOUT MARKETING, PRESENTATION
AND HOW TO WIN CUSTOMERS!

Maybe you would like to get some new recipes or learn how
to store and use all the food you purchase.
Call Omega now for a trip to Nairobi's luxury Windsor Hotel
or to Hoggers' Restaurant, the best burger shop in town.
Price: only \$46.



HURRY! PLACES ARE LIMITED!



EXPAND your welding business!

OUR POPULAR FOUR-DAY PACKAGE TO NAIROBI
NOW INCLUDES:

- a demonstration of how to weld stainless steel
- a demonstration of a complete range of tools and machines for metal-work, including affordable accessories which you need to avoid accidents at work
- a half-day training in methods for electroplating metal on a small scale
- visits to Kamakunji business area to meet with other small-scale business people
- visits to the best suppliers of steel, hardware and tools in Nairobi.

THIS PACKAGE INCLUDES A 10% REDUCTION AT ABC HARDWARE LTD. IN
KARIOBANGI FOR ANY PURCHASE OVER \$20. INCREDIBLE VALUE AT \$35.

ALL VISITS LAST FOUR DAYS.

PRICES INCLUDE TRANSPORT, ACCOMMODATION AND MEALS, BUT NOT VISA COSTS.
IF THE TOURS IN THIS ADVERTISEMENT ARE NOT WHAT YOU WANT, PLEASE TELL US!

OMEGA

TOURS AND TRAVELS

Learning Trips for People with Small Businesses
'Sign up, and watch your business grow!'

OUR CURRENT OFFERS:

Never buy solder again!

Metal-workers in Kisumu make theirs from used car batteries

— Find out how!

We will take you to Kisumu and you can learn from them how to do it.

You will spend four whole days with them.

You can find out where they find the cheapest scrap and how they make high-quality tools, toys and household items.

MAKE NEW FRIENDS AND GET NEW IDEAS FOR YOUR BUSINESS. PRICE: \$40.

- suppliers of raw materials, such as paints, varnishes and specialist components.
- bus companies which can sell tickets to visitors. One contribution may be the use of their infrastructure of branch offices to enhance communication between visitors, hosts and facilitator.
- strategic alliances with sectoral or national associations of MSEs, which may facilitate communication with bona fide visitors and hosts in addition to benefiting from the profile gained.

Publishing: The 'passive' approach

A second method of organising and facilitating Enterprise Visits is through publishing. MSEs in developing countries are not well served with information. Although trade journals are common in Europe and elsewhere as commercial ventures, they have not yet been introduced in many countries. Such journals could carry information about MSEs wishing to make visits and MSEs willing to host visits. Here are some examples.

Such advertisements could also be carried as an additional classification by mass-circulation newspapers. Meanwhile, however, there are probably many possibilities for publishing profitable trade journals for MSEs in developing countries. The two basic options for making such a trade journal profitable are:

- free advertising, followed by sale of the journal at a commercial price
- sale of advertising, followed by distribution for a nominal cover price or even for free.

WELDER SEEKS NEW IDEAS:

A Kisumu welder specialising in gates and barbecues seeks fellow welder to learn to make ploughs and perhaps other tools. I offer up to \$20, plus a friend in Kisumu who can offer shared tools or sources of cheap scrap.

If you would like to visit us, please write to Michael Ojiambo, PO Box 1456 Kisumu.

I make the best mandazi in Machakos:

but I would like to learn new recipes, especially for bhajias and samozas. If you think you can help and are from a town no more than four hours from Machakos let me visit you and I will be happy to teach you all I have learned in my six years of profitable business.

Write to Frances Wanjau, PO Box 713 Machakos with your address or telephone contact.

Need a place to stay in Nairobi?

I can offer hospitality and help finding your way around the big city if you can help me find new or improved products for my metalworking business. I presently make tools and jikos and would like to visit another metal working business in a distant town. Nairobi has the cheap scrap if you know where to look!

Write to Kamau at PO Box 30996 Nairobi and tell me what you have to offer.

The business can move from the first option to the second over time. One advantage of the first option is that it overcomes the difficulty, which every new journal has, of selling advertising (certainly, in the first six months). In some countries, however, there is a strong market for the sale of advertising which can reach MSEs, for example from companies wishing to supply MSEs with tools, equipment and other inputs.

An advantage of the second approach is that street hawkers can sell the journal at the nominal cover price throughout the industrial and commercial areas of the local town. The need for supervision is therefore eliminated.

The two options can be combined and can also use other non-traditional outlets. For example, FIT is currently working on the publication of information catalogues for use by photocopy shops. Entrepreneurs purchase photocopies of the information they want from the catalogue. Profits are generated mainly through the sale of advertising, which is placed on the back of the photocopy purchased by the entrepreneur.

***Marketing
Enterprise
Visits to MSEs***

The marketing of Enterprise Visits to potential visitors is best done as directly as possible. Word-of-mouth is most effective but the use of other existing networks is also effective. For example, micro-credit agencies have their own networks which can be used. However, as advertising Enterprise Visits is not their 'core business', only limited time can be devoted to it by branch officers. Sales agents may be paid a small commission for each Enterprise Visit sold.

FIT's experience indicates that visitors prefer to travel in groups, at least initially. A group of three to six people is probably ideal, so that visitors each have a chance to ask questions and to direct the visit to meet their particular needs. However, one group consisted of 60 people and the visit was apparently still successful. People prefer to travel in groups because:

- being in a group allows participants to share experiences and ideas (particularly when they are all in the same line of business)
- it is cheaper, because of economies of scale in travel and accommodation
- they feel more comfortable approaching a new place in a group, and problems arising can be solved collectively
- security is less of a concern, particularly, for example, for the husbands of women entrepreneurs who are making the visit in a group
- hosts apparently feel more relaxed and motivated with a visiting group than with an individual visitor.

Even without any systematic marketing, MSEs have been willing to pay \$35 to make Enterprise Visits. That price covered all the transport and accommodation costs. On average, the visitors spent a further \$44

each on purchases during the Visit. This suggests that more could be charged for future visits, if properly marketed, so that they can be profitable.

It is clear that the initial recruitment of hosts is likely to be time-intensive but that it becomes easier with experience. In particular, the best people to identify hosts are the MSEs themselves; the results can often be surprising. Initially, therefore, Enterprise Visits may be offered at a discount on condition that the visitors assist in the process of identifying the most relevant and interesting hosts for future tours.

Marketing of Enterprise Visits to hosts can be done on the basis that they will gain:

- fresh business ideas, particularly where they are of a similar size to the visitors
- new business linkages to the visiting MSEs, either as suppliers of raw materials and other inputs, or as distributors, agents or customers of their products
- a fee for the visit (for smaller hosts; the \$20 fee charged in one collaboration proved to be of little interest to the larger hosts)



- substantial public relations benefits for minimal effort (particularly attractive where the community of larger businesses is unpopular locally, for whatever reason). This can also apply to host MSEs which may enjoy increased status and prestige in the local community as a result of a visit by a group from far away.

Recruitment of hosts

Experience shows that relationships with good host enterprises must be cultivated. For example, it is important to inform them about follow-up, further visits planned, etc.

Hazards to be anticipated are:

- fear of competition: This can be a barrier in recruiting hosts, particularly in certain sub-sectors e.g. large-scale bakeries view MSE bakers as significant threats to their business.
- confidentiality: Even when the visitors may come from far away, and are not seen as potential competitors, hosts are naturally cautious about revealing all to their visitors. Visitors may even try to poach staff from the host in order to access 'secrets'. Visitors should agree to be content with whatever the host chooses to reveal to them. The visit can also be structured, to maximise the exchange of information.
- cultural differences: Particularly when the visitors come from far away, significant cultural differences may make free exchange of experience and ideas more difficult e.g. use of different languages.
- cross-border restrictions: If MSEs are visiting tool and material suppliers in other countries, border restrictions and general bureaucracy may limit the actual benefits for the visitor.

To match visitors with hosts, the following basic information can be collected about the visitors:

- the type of business (which subsector they operate in)
- the scale and location of their activities and their market
- the type of technology and inputs used
- the languages they can converse in.

Information collected on the hosts may include:

- the size of the business (employees and/or turnover)
- the age of the business
- the technology employed: do they use interesting innovations or unfamiliar techniques or sources of material relative to other locations?
- the quality of the products: are they particularly well-made, well-

marketed, or innovative relative to other locations?

Ultimately, a simple computer programme can be developed, to match visitors with hosts on a volume basis.

- The timing of Enterprise Visits is important. The organisers should plan ahead, so that visitors have 1-2 months, in which to save for the Visit. Often the best time of year is generally just after the harvest. The worst times of the year are at the end of the dry season (or during a drought), around public holidays and festivals (e.g. Christmas in Christian countries) and when school fees are due.
- The organisers should ensure that travel, accommodation and other arrangements are satisfactory.

Matching visitors with hosts

- It is essential that the hosts are prepared for their visitors. The organisers should be present and make the introductions when the visitors first arrive at the host's business. If this is not possible, it is vital that the hosts are expecting the visitors, otherwise the visit will not be a success.
- Visitors should be encouraged to ask questions, and even, with the agreement of the host, to participate in production. Time should be scheduled for demonstrations of techniques or processes that people find interesting.
- Where possible, hosts and visitors should be encouraged to share meals together. If finances allow, the programme could provide at least one of these meals, particularly on the first or last day.
- Visitors should endeavour to stay in the same accommodation so that informal sharing can continue after work hours.

Other practical considerations

- Organisers should collect feedback and evaluative comments from the visitors, either at the end of each day or at the end of the Enterprise Visit. The exercises outlined in the evaluation of the Brokering Workshop (page 32) could be used, though if participants are literate they might prefer to write their comments anonymously.
- The facilitation of a Brokering Workshop can contribute to the process of Enterprise Visits, including the marketing of visits to potential visitors, the recruitment of potential host enterprises, the planning of visits, and the follow-up or evaluation of the Visits made. Brokering Workshops are therefore described in the next section of this manual.



A 'Brokering Workshop' is an opportunity for people with their own small businesses to meet and exchange ideas, information and contacts. The benefits can be considerable, even where the Workshop lasts for only one day. Until now, these Workshops have not been marketed aggressively to small businesses and, despite the benefits, there is less evidence of a demand for them.

4. Organizing Brokering Workshops

Participants may come from many different locations, although they should come from the same, or related, types of business. In addition, FIT has facilitated Brokering Workshops between small businesses and local merchants., These proved highly profitable in terms of new business for both parties. However, no indications have yet been found, that such events could be facilitated profitably, as a stand-alone activity.

Yet there are clearly many organisations and companies wishing to market services to small businesses and they may be interested in organising Brokering Workshops. This section outlines what is already known about maximising the impact for participants.

A Brokering workshop should not last much longer than one day and should not include more than about 30 participants. Attention should be paid to the seating arrangement used in the workshop. A 'U' or circle formation of chairs, which allows people to make eye contact with each other and encourages participation by all, is more likely to facilitate a relaxing and egalitarian atmosphere.

General principles

The general framework for a brokering workshop is as follows:

- 'Breaking the ice': Introductions
- Explaining the programme
- Group work and presentations by groups
- Lunch and tea breaks
- Collection of baseline data
- Planning the Enterprise Visits (where applicable)
- Feedback from participants on the Brokering Workshop.

If used to organise Enterprise Visits, the logistics for the visits (particularly costings) should be prepared as carefully as possible before the Workshop. The Enterprise Visits should occur within two to three weeks of the Workshop and no more than six weeks later because it is important to build upon the enthusiasm that can be generated at the workshop. Also, baseline information collected during the workshop may be outdated if there is too much delay in implementing the Visits.

The various steps in a Brokering Workshop are discussed in more detail in the following pages.

Introductions should do a little more than simply letting participants know each other's name and occupation. They should help people feel comfortable together and establish rapport. Most facilitators have

exercises they like to use for this purpose, such as:

Breaking the ice

- Ask participants to pair up with someone in the group who is unfamiliar to them. They introduce themselves to each other, talk about their business and describe one unique or interesting aspect of their life history. Then the whole group reforms and each participant introduces his/her partner to the group.
- Ask each participant to introduce themselves and their occupations by adding an adjective that begins with the same letter as their first name and their business, for example: “I’m serious Steven and I make marvellous metalwork.” “I’m wild Wanjiku and I prepare perfect posho.” This exercise establishes informality and helps people remember each others’ names.

Explaining the programme

Give a brief introduction to the organisers of their goals. This should be a short explanation of the objectives and modalities of the programme. The principle of cost-recovery should be outlined here and if possible, the likely costs should be presented. Logistics should be explained, including payment procedures. A fact sheet can be distributed to supplement oral explanation and a few moments taken to answer questions, with the understanding that there will be an opportunity for more questions later in the Workshop.

Participants divide into groups according to their professions, with no more than six in each group. Organisers should ensure that each group has someone who can write to record their output; and paper and pencils should be available so that participants can illustrate their points with diagrams or notes.

A starting point for discussion could be a question such as: “What are the major constraints you face in improving your business?”

Group work and presentations by groups

Group work should not be structured; lively and spontaneous discussion is usual. However, a facilitator may be required, to ensure that the discussion remains constructive and focuses on the themes of the workshop.

Each group should present the results of its discussion orally to the whole group and provide a summary written on newsprint. Some of the constraints identified can be addressed by the group as a whole and, if time permits, the facilitator can encourage suggestions from participants on how to overcome them.



Lunch and tea breaks

The most important aspect of Brokering Workshops is the opportunity for participants to meet with their colleagues, and to exchange ideas, information and contacts. Breaks are therefore very valuable chances to follow up on group and plenary discussions and ample time should be allowed. They should not be shortened in order to lengthen the more formal sessions. If experts are available for consultation, they should ensure that their input is made sensitively, building on local initiative rather than replacing it.

Collection of baseline data

Participants are asked to supply the information needed to evaluate the impact of the workshop (and possibly also the visits). They should work individually or perhaps form the same groups used earlier to assist each other with understanding the exercise and writing their responses.

A list of questions should be compiled by the organisers. The exact nature of the questions will depend on what information organisers already have at hand, and the procedures they use for monitoring impact. In addition to data about the individuals and their businesses, efforts should be made to document at least three specific objectives the participants have for the workshop/visits.

Efforts to gather financial information about participants businesses have often been either unsuccessful or unreliable. Secondary indicators of business expansion may therefore be developed and compared to the economic development of the local community (as a proxy control group). These ideas are developed further in other FIT documents (e.g. Wesselink, 1995), which are available on request.

Instead of going into great depth, and requesting potentially sensitive information, participants can be asked to give more general indicators of financial status and to present a general picture of the methods and materials they employ in their business. Questions could include:

- the name, age, gender and educational status of the client
- type and location of the business, when started, days and hours of operation, seasonal calendar (what time of year is the busiest);
- number of employees, full and part-time, and how much they are paid
- major tools and equipment used and whether owned, shared, or borrowed
- products and services sold;
- proportion of customers who are middlemen, retailers or end-users, and where they come from;
- approximate revenues and expenditures
- specific objectives for participating in the workshop/visit.

Organisers should encourage participants to spend most of the time available giving details of the tools and equipment used and outlining the products and services they offer. These will be the areas where it will be easiest to evaluate the impact and attribute it directly to the service provided.

Even if the Workshop is being used to arrange Enterprise Visits, the organisers should already have a plan of who will visit whom. The group presentations made during the workshop may lead to requests to alter these plans. It is best to schedule a break, say for lunch, after the presentations, when organisers may reflect on the information presented by the groups. They may need to discuss the plan with some individuals to ensure that they have set up the best possible matches.

Planning the Enterprise Visits

Participants should then be informed of where and when it is proposed that they visit, and with whom, how they will get there, where they will stay, when and how much to pay. It would be helpful if the organisers have prepared letters of introduction, outlining the logistics and introducing the hosts. There should be an opportunity for questions and for participants to make suggestions if they do not find the proposed matches satisfactory.

Issues of timing should be resolved here. There may be hosts who are not yet matched to visits of their own and assurances that these will be facilitated should be made or some sort of compensation offered (possibly monetary, or other training, for example). Hosts may also like to detail some of the other benefits they envision such as an increased business network, increased status, or the sense that they are offering something constructive to the community.

A Brokering Workshop can be evaluated professionally 6-12 months later. However, participants should also be encouraged to give some immediate feedback at the end of the event

If the brokering workshop occurs over two days, it is important to schedule time for evaluation after the first day, so that feedback can be accommodated in the next day's programme.

It is also possible to evaluate a particular session, if time allows, and use the information gathered to improve on the future sessions.

While facilitators may have their own methods, a few exercises which are fast and simple are given in the box, below.

***Feedback from
participants on the
Brokering workshop***

- Go round the room and ask each participant to complete the sentence: "I didn't like it when..." The sentence may refer to anything that happened during the workshop. Each person offers their own comment (if they have one) and should not repeat something already expressed. Each participant may repeat the sentence with different observations as many times as they feel is necessary to describe what they did not like. Next, the same process is repeated to express what people appreciated about the workshop. Each person completes the sentence: "I liked it when....". This way the workshop ends on a positive note.

Break into groups and have each group quickly respond to a specific list of questions such as:

- *things I liked*
- *things I did not like*
- *suggestions for improvement*
- *what I found most difficult*
- *what I found most valuable.*

Get each group to then present their findings to the whole group and use a flip chart to summarise.

If the brokering workshop occurs over two days, it is important to schedule time for the evaluation after the first day, so that feedback can be accommodated in the next day's programme. It is also possible to evaluate a particular session, if time allows, and use the information gathered to improve on the future sessions.

Annex A: FIT's experience with Enterprise Visits

This Manual is based on the organisation and/or evaluation of the experiences in Enterprise Visits listed in chronological order below. Further documentation is available from FIT on request.

1. A Brokering Workshop in Kenya in March 1994, which brought together 34 small-scale metal-workers and food processors to discuss mutual problems and opportunities for future collaboration. The Workshop lasted 1.5 days and was organised by PRIDE with FIT sponsorship. An evaluation was conducted five months after the event.

Craig, Kim, and Fatima Cheronu, December 1994. *An evaluation of the FIT/PRIDE Brokering Workshop for MSEs.*

2. Nine Enterprise Visits by small-scale entrepreneurs to large-scale businesses, and five to sister MSEs, were organised by PRIDE with FIT sponsorship, between April and December 1994. Visitors were generally not those who had participated in the Brokering Workshop referred to above. An evaluation was conducted in February 1995.

Hileman, Milena, February 1995. *An evaluation of the FIT/PRIDE Exchange Visit Programme.*

3. The experiences of seven Kenyan NGOs was reviewed. It found that about 1,200 small-scale entrepreneurs had participated in informal versions of either Enterprise Visits or Brokering Workshops. In addition to interviewing NGO staff and reviewing their records, a sample of 24 participating enterprises was also interviewed, and their experiences analysed.

Craig, Kim, and Mike Oneko, September 1994. *Strengthening the Kenyan informal sector through exchange forums.* FIT Working Document.

4. Visits for 12 metal-workers from Kamakunji Jua Kali Association in Kisumu to the establishments of three metal-workers from the Kibuye Jua Kali Association in Nairobi. The visits were conducted in groups of three and were made in October 1994. They were organised by KIC-K (Kisumu Innovation Centre - Kenya). Internal evaluation exercises were completed in March 1995. In addition, participants were involved in a number of planning and evaluating exercises.

Kisumu Innovation Centre, May 1995. *Evaluation report on the FIT/KIC-K metal-workers' exchange programme.*

5. A three-day exchange of women's food processing groups in Ewe-speaking areas of Ghana and Togo during December 1995. The

programme was facilitated by KEADS in Ghana and involved group representatives (ten from Ghana and ten from Togo) visiting five groups in Ghana and two in Togo. An internal evaluation was completed in August 1996.

Afenyadu, Dela, December 1995. *Exchange visits between food processing women's groups in ewe speaking areas in Ghana and Togo.* KEADS/FIT.

Afenyadu, Dela, August 1996. *Participatory evaluation of exchange visits between food processing women's groups in Togo and Ghana.* FIT/KEADS.

6. A series of six monthly Brokering Workshops between MSE metal-workers and merchants in Embu town; an internal evaluation was carried out shortly afterwards.

Mwaniki Ireri, May 1996. *Proceedings of meetings between a group of MSE metal-workers and Embu Merchants.* FIT/MATA.

7. Twenty-two metal-workers from Uganda visited similar establishments in Kisumu, Kenya during November 1996. The Ugandan visitors were members of Uganda Small-Scale Industries Association. Artisans in Kisumu were affiliated with KIC-K, who organised the event. An evaluation meeting was held immediately after the visits.

Onyango, Mary, February 1997. *Experiences with Enterprise Visits between Kenya and Uganda.* Paper presented during a FIT Seminar on Enterprise Visits and Entrepreneurial Networks, at the Mayfair Court Hotel, Nairobi.

8. An exchange between women's food processing groups (mainly millers) in Kassem-speaking areas of Ghana and Burkina Faso was facilitated by KEADS with FIT sponsorship during November 1996; 11 women from Ghana and 13 from Burkina Faso were involved.

Afenyadu, Dela, November 1996. *Exchange visits between food processing women's groups in Kassem-speaking areas in Ghana and Burkina Faso.* FIT/KEADS.

9. In Accra and Cape Coast, Ghana, ten manufacturers of baking cans made visits to a producer of aluminium and to engineering companies. Fifteen food-processors made. Visits to two food processing organisations. The Visits were facilitated in November 1996 by Pinnacle Business Link with FIT sponsorship.

Further Reading

Ainoo-Ansah, Jacob, February 1997. *Report on small enterprise exchange visits*. FIT/PBL.

Wesselink, Bert, February 1995. *Quantifying impact of MSE support services at the enterprise level*. FIT Manual.

Tanburn, Jim, March 1995. *Strengthening informal sector network in Kenya through exchange visits*. FIT Synthesis paper.

Wesselink, Bert, April 1995. *Guidelines for evaluating FIT activities including FIT Evaluation Forms*. FIT Manual.

Wesselink, Bert, August 1995. *Measuring impact at the household level: Some instruments*.

Mathuva, Joseph, July 1996. *Identification and profiling of groups of metal-workers and food processors in Kenya*. FIT/K-REP.

Tanburn, Jim, August 1996. *User-led Innovation: Enabling MSEs to develop improved technologies*. FIT Working Document.

FIT Geneva, October 1996. FIT Activity Profiles.

Afenyadu, Dela, February 1997. *Experiences with cross-border exchange visits in West Africa*. Paper presented during a FIT Seminar on Enterprise Visits and Entrepreneurial Networks, at the Mayfair Court Hotel, Nairobi.

Annex B: Rapid Appraisal techniques to find hosts for Enterprise Visits

Organisers of Enterprise Visits can use some of the techniques employed in Rapid Rural Appraisal, to identify potential hosts (and also potential visitors, if required). This Annex outlines those techniques, and how they can be applied in organising Enterprise Visits.

Fieldwork of at least two to three days should be conducted by a team of a minimum of two people, one of whom should have some expertise in the sub-sector so that she/he can identify potentially useful and replicable techniques or materials. The following RRA methods can be employed:

Semi-structured interviews

Interviews with key informants form the bulk of the fieldwork. The interviews could begin with individuals who have professional dealings with the target sector, i.e. NGOs or Government officers who work in the area. These individuals may also have access to written sources that could be useful. Interviews should then be conducted among the targeted MSEs, their customers and possibly their suppliers or agents.

The interviews should try to determine who is considered the most successful or respected business person within a given sub-sector. Interviews with MSEs should begin to inform them about the programme and record technologies employed, sources of supplies, approximate volume of business and what market they serve. Instead of a questionnaire, a check-list of areas to be discussed should be used.

Transect walks

These provide an overview of the MSE sector. Two or more fieldworkers walk together through the area of town where MSEs are operating. They interview a certain number of business people, customers, or others along the way. During the walk, note the number and location of various activities, observe technologies and marketing methods employed, and record observations. The walk enables fieldworkers to get an overview and allows for a relatively unbiased sample of informants.

Interviewing techniques

A semi-structured interview consists of predetermined topics only. It is hoped that new questions or insights will arise as a result of the discussion. Flexibility allows the interviewer to diverge from the checklist when interesting information arises. Good interviewing depends on self-critical awareness, perceptive listening and careful observation. Using a checklist of topics that one would like to cover during an interview allows for divergence to other areas of interest, and probing to more clearly understand what is being said. Probing questions like “But why?” or “please tell me more about that” or “Anything else?” allow the speaker to go a little further in answering what, where, when, who, why and how? A few basic principles should be followed:

- Use a checklist, or interview guide. Know what areas you wish to discuss before starting the conversation and explain why you are conducting the fieldwork (a brochure or fact sheet describing the programme will be helpful);
- Be sensitive and respectful to everyone involved. Make sure the interview situation is comfortable. Sit on the same level, or join in with a task that someone is doing;
- Listen carefully and be prepared to learn, not teach.
- Ask open-ended questions using “Who? What? Why? Where? When? and How?”
- Probe responses carefully to learn more.
- Judge responses (fact, opinion, or rumour?)
- Verify by asking the different speakers the same question, particularly when trying to establish the ‘best’ MSE of a particular sub-sector.
- Record responses and observations carefully.

Asking questions

Questions should be phrased in such a way that they are not leading or ambiguous. Leading questions tend to make respondents answer with a yes or no. Open-ended questions will generate more explanation.

Your checklist will probably change as you go along, reflecting what you learn about your area of interest and what you learn about asking questions. Asking a number of people who they would go to to get a particular job done and why, can begin to narrow down the potential pool of MSEs in a given sub-sector to interview.

Here are some examples of how NOT to ask questions:

- Is it true that it is difficult to purchase scrap metal in this town? (leading)
- How do you get your customers? (ambiguous)
- Wouldn't you prefer to sell fuel-efficient stoves? (leading)
- What do you do as a restaurant owner? (ambiguous)
- Isn't this business shed wonderful? (leading)

- Do you sell your baked goods to all kinds of people? (leading and ambiguous)
- How do you find this NGO? (ambiguous)
- Wouldn't you be better off if you had the tools to make ploughs? (leading)

A good way to get an interview started with an MSE is to ask what they are doing now, at that moment. This will provide a description of the business and its basic operations. Asking what business was like in the past will allow them to express their achievements and give some historical information. Asking what they plan to do in the future can get into some of the constraints they face, which would be one of the most important things to note when organising productive visits.

If the fieldwork is not recorded, valuable information will be lost. Again, a few basic principles should be observed:

- Ask permission of the interviewees to record what they say.
- Use a small notebook (not a big clipboard) to record what you observe, how the interview developed and who said what (male/female, young/old, better-off/worse-off).
- Record the detail of what is said and, whenever possible, what is not said but can be sensed (hesitation or tension can also be important)
- Make follow-up notes after the interview, record personal impressions.

After the fieldwork you should have a good idea of who might offer a valuable visit for your target entrepreneurs. One could simply arrange for the visits in the field, but if resources are available, a Brokering Workshop can be worthwhile as it provides an opportunity to collect data for evaluation purposes later. Find out if they would be interested or able to attend a Brokering Workshop. Offer two or more possible dates for the workshop. Ask when would be the best time for them to host a visit, and record at least two or more possible dates for this.

Annex C: Evaluating the impact of Enterprise Visits

The following general principles have been referred to in the main text of this Manual.

- Quantifying the impact of Visits directly requires a major effort to ensure that both baseline and evaluation data are reliable and corrected for external factors (e.g. seasonal fluctuations, changes in macro-economic conditions etc.).
- The corrections for external factors will be easier if a control group of non-participants can be established.
- Willingness to pay for the service (and in particular, to pay for repeat services) is a good proxy indicator of impact. Other proxy indicators have been set out in FIT documents elsewhere.
- Qualitative data should be collected, wherever possible, as this is often easier to link directly to the service provided.

More detail has already been provided elsewhere (e.g. the three FIT manuals written by Wesselink on evaluation). Here is a brief reminder. Collect information on:

- the participant's name, location, and type of business
- present number of employees (full-time/part-time, paid/unpaid)
- approximate monthly income and expenses
- what they have gained from the visit, specifically:
 - new/improved products
 - new/improved methods of production
 - improved management skills, relating to working conditions, employee relations, record-keeping and organisation of staff duties
 - new information on where to find tools, spare parts, raw materials or other services
 - new customers, new marketing ideas, or improved packaging or supplying of products
 - increase in enthusiasm and self-confidence
 - new relationships
 - opportunities to share tools, markets, or sources of inputs.
- Of the above, what are they actually using today and how have these changes benefited their business? What was the most valuable lesson learned?

- Would they like to go on another visit and would they recommend their colleagues to do the same?
- What is the most they would be willing to pay for a visit? (Provide a range of figures)
- What would they suggest be done differently in the future?

A form listing these questions may be too leading to be valid, particularly when it comes to describing the benefits of the visit. Instead, sensitive interviewing, asking clients what they gained from the visit or how they have changed since the visit, with careful probing, is more likely to generate accurate responses. The examples of qualitative and quantitative impact given on pages 7-10 of this Manual can provide some orientation for interviewers.

FIT Programme Coordinator