How to Revamp a Business Edge Program: The Case of Ghana

IFC aims to strengthen the overall business environment by providing local markets with management training programs aimed at small businesses, such as Business Edge. We sign cooperation agreements with local business development service providers to deliver this interactive learning program. The hoped-for result is that the beneficiaries of training will run more efficient businesses and the overall economy will improve. This Smartlesson share the lessons we learned while revamping our Business Edge program in Ghana. We achieved the overhaul by clearing up training providers’ misinterpretations about the program and empowering them to deliver it, defining a clear strategy for the program, shedding all but the top performing local providers, giving providers chances to network with potential clients, lining up some business for the providers, and exerting strong quality control over the program.

Background

Supporting the development of competitive small and medium enterprises (SMEs) is a strategic pillar of Private Enterprise Partnerships for Africa (IFC-PEP Africa), which coordinates the work of IFC Advisory Services in Sub-Saharan Africa. In partnership with the private sector, IFC-PEP Africa uses training tools, such as Business Edge and the SME Toolkit, to help SMEs grow and prosper.

Business Edge is IFC’s comprehensive training program designed to improve management skills for employees of SMEs and middle management of large firms in IDA countries and emerging markets. Business Edge also targets the businesses’ suppliers, distributors, and clients. The program, which IFC started in Vietnam in 2001, has spread to many other countries.

IFC implements the training through selected providers who undergo a five-day adult learning methodology taught by our certified master trainers. Successful training providers are accredited by IFC and become official Business Edge training partners in their country. IFC provides its partners with support, including 55 training manuals, and monitors the quality of the training.

Figure 1: We boosted the number of people trained
In Ghana, we launched Business Edge during a training of trainers in Accra in June 2009. This session educated 20 trainers and six assessors representing eight consulting firms.

From February 2011 through November 2012, when our revamp of the Ghana Business Edge program started to provide more support to increase support to local training partners, we achieved the following results:

1. Key Indicators

We saw increases of more than 400 percent in numbers of workshops offered, training seats filled, unique trainees and women participants while, SMEs trained increased by 300%. We also achieved a 300 percent increase in the number of certified trainers (one of them is a half way to become master trainer), the number of cooperation agreements signed with clients increased from 1 to 7. Notably, we whittled down the number of training partners from eight, to four, of which only three are active. This means that three partners with a total of five trainers delivered more in the last 20 months than did eight partners with a total of 20 trainers in the first 18 months of the program.

2. Market Trends and Demand

Our Business Edge providers provided training in several economic sectors in Ghana. The main sectors so far were agribusiness (13%); non-governmental organizations (12%); banking and finance (11%); energy (8%), and education (8%) (see Figure 2). 49% of the workshops delivered covered personal productivity skills; 24% marketing management, 18% general and operations management; 12% finance and accounting, and the rest human resources management.

3. Increase Revenue for Partners

From June 2009 until February 2011, when workshops cost $1,545, revenues from Business Edge training totaled $20,060. From February 2011 through November 2012, the training fee was raised by 30 percent to $2,003, revenues jumped by 500 percent. Total revenues to date are $142,261, with Rainbow Consulting Ltd (59%); Cicada Consulting Ltd (30%); EDC Consulting (5%) and the rest of the partners (6%) (see Figure 3).

Lessons Learned

Lesson 1: Clear up your training partners’ misinterpretations about the Business Edge process, but also equip them with tools to do their job.

This is a must that should be done as soon as possible. During our first mission to Ghana in February 2011, to launch the revamp of the country’s Business Edge program, we became aware of the number of misperceptions that Business Edge partners and to some extend clients had regarding the program. So, we organized a meeting with all eight Business Edge training partners, including the actual trainers. During the meeting, we corrected the following misinterpretations:
1. Administrative Process

- Training partners didn’t realize that they were supposed to register their courses in the Business Edge database, so that IFC could control what they were doing on the ground. Some Ghana partners had delivered training to SMEs but not entered the information in the database.

- Training partners didn’t know how to access the Business Edge training manuals. They were supposed to create a purchase order in the database and pay IFC $50 for each order. Then they would receive the materials electronically.

- Some trainers thought they would be certified once they had attended the training of trainers program. However, they also needed to conduct two trainings of eight hours each and then pass two assessments with a minimum grade of 75 percent each: a satisfaction rating by trainees and a grading by a Business Edge assessor.

- Some trainers believed that after becoming certified, they could conduct training in all six Business Edge subjects. However, the rule is that they can only train in two subjects, or in exceptional cases, three subjects.

- trainers didn’t know how much they could customize training content (the rule is no more than 25 percent), or how many people could attend a class (the maximum is 25).

2. Pricing Structure

- Business Edge Partners felt that with an IFC solution in their hands they would go to the market and charge higher fees easily.

3. Business Development and Marketing

- Training partners thought that it was expected for IFC to bring in business for them.

After clarifying details of the Business Edge program, IFC provided the following tools to our local training partners:

- Marketing tools—We distributed flyers, pens, folders, booklets, and banners to all partners. We developed and launched in local newspapers a flyer that provided details about Business Edge courses and contact information for our local training partners. We also wrote press releases about training agreements with large clients, to promote the program in local media as well within IFC.

- A Business Edge website sub-page for Ghana—On the Ghana webpage, we could input useful information for clients, such as logos and contact information; local success stories; and profiles and photographs of local trainers.

- Concept notes/terms of reference and budgets—We shared these tools with our training partners so they better understood the technical and financial details of the program, especially how to budget classes.

- Guidance on how to price the training—Business Edge works in a commercial basis, meaning that BE partners are free to charge in the market what they want. However, we provided appropriated guidance on pricing structure for both type of courses: corporate value chain courses, which a large firm offers to its suppliers or distributors; and open course training, which is open to the public.

- Business Edge database training—in some cases, we taught training partners how to enter information on their courses, participant evaluations, and other details in the database.

Training clients also needed clarification about Business Edge. Many clients thought that because IFC was involved and is part of the World Bank Group, the training was free or inexpensive. We met with several clients to clear up these issues.
Lesson 2: Define a clear strategy for the local Business Edge program for two to three years.

One of the first steps in our overhaul of the Ghana program was to present to all local training partners a country report, from the Business Edge database, with the current number of workshops conducted and seats sold. We compared these numbers with the partners’ own targets in their applications to become official partners. This strategy clearly instilled in the partners a sense of the need to work hard and deliver.

We set a target of selling 2,000 seats in the following 24 months, to give the partners a picture of where to go as well as how much effort was required.

We also communicated to partners that IFC would exit Business Edge in the medium term, so they and their trainers needed to feel the urgency of being on their own and fight for their market.

Although Business Edge is an IFC product backed by the IFC brand, that’s not enough to sell it in a local market. To enter a local market requires a strong commitment from training partners, a good network of clients, and in some cases, low training fees in the beginning of the program.

Lesson 3: Only keep top performing or engaged training partners.

When we were launching the revamp of the Ghana program, the local training partners were expecting that IFC would be more flexible in regarding the payment of the license fees. They thought that if they didn’t conduct a lot of training, they didn’t have to pay the fees. To correct this misperception, we needed to send a strong message. We decided that in order to have their contracts renewed for 2011-2013, the partners needed to pay the fees outstanding for more than a year, and also pay the entire $3,000 annual fee up front, rather than in installments. Previously, partners paid half up front and the balance six months later.

Lessons 4: Sign partnership agreements to link up training partners and clients.

This was a very important factor in the success of the Business Edge revamp in Ghana. By signing cooperation agreements with several institutions, IFC created the opportunity for dialogue between providers and the clients. We signed agreements with six clients: Pro Credit, West Africa Civil Society, Federation of Associations of Ghanaian Exporters, Association of Ghana Industry, Ghana Chamber of Commerce and Industry, and Fidelity Capital Partners.

We organized a special event with the Association of Ghana Industry attended by local news media. We also hosted a meeting in our offices between training partners, the six clients who had signed agreements, and potential clients including a microfinance Institution, which was an excellent opportunity for networking. The Microfinance Institutions (Advans Bank) had an ongoing project targeting 200 SMEs and was eager to hear from training partners about Business Edge value added and services.

Lesson 5: Increase your credibility by bringing some business to the table.

IFC drew up training proposals for clients including Pro Credit and West Africa Civil Society, which demonstrated to local training partners how to bring in business. The partners started to see money coming
Lesson 6: Trust your official training partners but maintain strict control over the program.

The Business Edge Program in Ghana has been managed long distance by IFC’s Mozambique office since July 2011. We have made on-site visits twice a year but the situation has required us to exert tight control over some activities. Our main tool is the Business Edge database, where our training partners record information about their courses for our approval. One of our rules is that IFC’s country manager only signs training certificates once the partners have entered all necessary information. This forces the partners to provide the information.

Conclusion

Business Edge is an IFC program targeting employees of SMEs and middle management of large firms and other private institutions. Our official training partners—the most reliable partners in the local market based on their experience, skills, and tools—are our means of reaching the clients. However, we must provide the partners with a clear vision for the program and proper guidance and discipline in the first two years of any local Business Edge program.

IFC needs to maintain control over the program to ensure it is run properly, otherwise we face a credibility risk. Keeping permanent pressure on the training partners helps to maintain high standards of quality. Our partners need to follow the rules and procedures laid out in the agreements they sign and pay their fees on time. They also need to make money, which means that IFC could create business opportunities for them at least in the beginning of the program which could pave the way for a more sustainable market for Business Service providers. Properly managed, this can be a win-win situation for all.