

Returns to Consulting for Women Entrepreneurs



This study of the impact of entrepreneurship training and mentoring in Uganda evaluates a program which aims to help women entrepreneurs develop the skills they need to run thriving businesses. In addition to testing the overall impact of the program on participating entrepreneurs and the businesses with whom they compete or collaborate, the study will demonstrate the relative cost-effectiveness of intensive, personalized training versus a less intensive, standardized approach. The program will be advertised to female business owners in urban Central Uganda. As the training is expected to be oversubscribed, entrepreneurs who meet basic eligibility criteria will be randomly assigned to receive high-intensity personalized training, low-intensity standardized training, or no training (the comparison group). The randomized design allows systematic differences in outcomes to be attributed to differences between the treatment and control groups, and thus allow researchers to learn more about the impact of business skills training on profits, business size, and other outcomes for female entrepreneurs.

Policy Issue

Small and medium enterprises (SMEs) are often viewed as potential engines for innovation, employment, and social mobility, and promoted as vehicles for economic growth. In many developing countries, SMEs make up a particularly large part of the economy, yet data suggest that very few grow into larger businesses. If SMEs have such growth potential, what prevents them from expanding?

Human capital constraints may be key, especially if having adequate managerial skills in place is a prerequisite for accessing other resources, such as financial services. Many “business development services” and “entrepreneurship training” programs target SMEs in developing countries, but there is almost no systematic evidence on the effectiveness of such programs. This project evaluates a training and mentoring program in Uganda aimed at helping female entrepreneurs develop the skills they need to run thriving businesses. The objective of the evaluation is to measure the impact of an increase in “managerial human capital” on business outcomes for entrepreneurs who receive training, as well as the spillover impact of such an intervention on competing and collaborating businesses. It also compares the relative cost-effectiveness of skill transfer through a more personalized, time- and resource-intensive training approach,



RESEARCHERS

Gregory Fischer, Dean Karlan,
Meredith Startz

COUNTRY

Uganda

PARTNER

TechnoServe

PROGRAM AREA

Small and Medium Enterprises

TOPICS

Human Capital & Skills, Training &
Mentoring, Women & Girls

TIMELINE

2011-2013

versus a standardized, less intensive one.

Evaluation Context

TechnoServe, an international non-profit business development organization, implements a business training program called Women Mean Business (WMB) in four cities in Central Uganda—Kampala, Entebbe, Jinja and Mukono. Since 2008, almost 600 women have received business skills training through the WMB program. A market survey of SMEs in these four cities, conducted by IPA, revealed that approximately 54% of all businesses interviewed were owned or managed by women. However, owners of small businesses – and especially female entrepreneurs – may lack management skills and information about how to access financial services and other resources, limiting their ability to improve and grow their businesses. For example, although women own nearly 40% of businesses with registered premises, they obtain only 9% of all credit disbursed.¹ The WMB program aims to provide female entrepreneurs with tools and training to better manage and grow their businesses.

Details of the Intervention

Eligible entrepreneurs will be randomly assigned to one of three groups: In Depth training, Light Touch training, or a comparison group. Program activities for both tracks will take place over the course of a year, and will be implemented by TechnoServe staff or outside consultants and mentors trained and supervised by TechnoServe.

In the first year of the program, Light Touch track participants attend classroom training sessions on topics such as financial management, sales/marketing, customer relations and human resource management. Each topic will be covered in a two-day training session, with one session each month. Participants will also be placed in sector working groups (e.g. manufacturing, retail, services), which will meet for additional, targeted training lessons and field activities. In the second year of the program, refresher training sessions will be held to provide more clarity on the topics and address any specific issues faced by the participating businesses. Finally, Light Touch participants will receive individual visits from a TechnoServe counselor to discuss any business-specific challenges they face.

Women in the In Depth track will receive all of the services offered to the Light Touch group, and in addition, will be matched with student coaches selected from local business schools. These coaches will work with the women for eight weeks in the first year of the program to develop a five year business plan. In the second year, the women will be matched one-on-one with mentors, who they will work with over three months to implement the business plan and adopt the lessons from the various training activities.

Before the start of the WMB program, a baseline survey will gather information on each business's operations, products and sales, employment, and finances, as well as background information on the owner/manager. Eight to twelve rolling follow-ups surveys will be conducted over the course of two years to gather data on business performance during and after the one-year WMB training program. A final endline survey will be conducted two years after the baseline survey and one year after the WMB program ends.

Results and Policy Lessons

Results forthcoming.

Sources

¹ Ellis, Amanda, Claire Manuel, and C. Mark Blackden, “ [Gender and Economic Growth in Uganda: Unleashing the Power of Women](#),” *Directions in Development* 2006.

GLOBAL HEADQUARTERS

101 Whitney Avenue
New Haven, CT 06510 USA
+1 203.772.2216 | contact@poverty-action.org

poverty-action.org