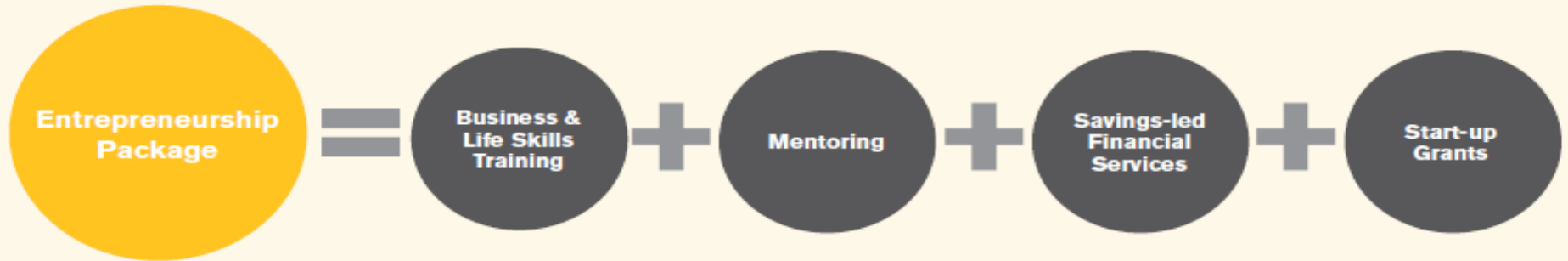




# Microfranchising



## Entrepreneurship Package



## Microfranchising (MFr) Model



## Apprenticeship Model



# Added Value of Microfranchise

- The franchisor has done the work
- The franchisee needs to simply follow existing guidelines
- Pairs a successful entrepreneur with those who lack the skills and capital to develop and start their own business
  - Benefiting the individual with the new business
  - Benefiting the existing business by expanding their customer reach and market share



# Sierra Leone- Microfranchising

## *Year 1 – YouthWORKS Microfranchise Pilot Project*

- Pilot project took place 2009- 2010
- 100 youth matched with 7 franchise businesses
- Youth receive training, mentoring and startup
- Results (After 7 months): 100% still engaged, 83% making profit

## *Year 2- YouthWORKS Microfranchise Project*

- More detailed market assessment conducted, 1 franchise business chosen
- 154 youth receive package of support and startup Splash microfranchises



# Overview of GEM



# Project Preparation Assessments

- Nike Planning Grant to determine businesses & microfranchise model adjustments for girls
- Girl Assessment- Technoserve
  - Girl specific needs
  - Girl interests
  - Potential partners
- Franchise Assessment – Fairbourne Consulting & IRC
  - Scalability
  - Profitability
  - Management Team

# GEM Project Design

## Objective:

2400 girls supported to operate their own microfranchise

## Activities:

- Design microfranchise models with selected businesses
- Train, monitor and support girls to engage in microfranchise businesses
- Evaluate

# Girl Profiles

## Lead Girls (800 total):

- 17-19 years old
- Basic literacy & numeracy (primary school completion with some secondary)
- Interest in business
- Time available to devote to business startup
- Legal immigration status (Kenyan citizens or registered refugees)
- English/Swahili/Somali

## Buddy Girls (1600 total):

- 16-19
- Basic literacy & numeracy
- Selected by Buddies leads
- Interest in business
- In school or out of school



# Microfranchise Businesses

- Darling
  - 10 girls per business
  - Comprehensive training in styling, weaving, braiding
  - “Mini salon”
- Kenchic
  - 2 girls per business
  - Mobile food carts
- Dlight
  - Mobile brand activiators
  - Selling low cost solar power products



# Implementation Partners

- YIKE & FHOK
  - Training
  - Mentoring
- Open Capital
  - Franchise model design



# Measuring Impact

*In small groups outline 2 main research questions you would want this program to look at and a potential research design that would answer those questions*

# Research Partners

- Population Council
  - Year 1 baseline & midline
  - Survey design support
- Innovations for Poverty Action
  - Year 1 endline
  - Year 2 Evaluation including Cash Grant Arm
  - Technical support
- The World Bank
  - Year 1 midline
  - Qualitative research Year 1
  - Technical support



# Research Questions & Design

*What is the direct impact of GEM on participants  
1 year later?*

## “Process” outcomes

- Do participants have more training than they otherwise would?

## “Economic” outcomes

- Are participants working more? Earning? Spending? Saving?
- Are participants more food secure?

# Research Questions & Design

## *How to establish the “counterfactual”*

- What would have happened, had these people not participated?

## *Randomization*

- Applicants participated in a lottery that randomly assigned some to join the GEM program, but assigned others to a comparison (non-GEM) group (244 assigned to treatment/control)
- This began as an easy process, because there were more applicants than program slots in the first year.

# Monitoring Data

- 550 girls completed training in business and life skills
- 60 microfranchise businesses launched and still in operation
- \$24 average increase in income per month for girls in business
- 90% of those in business have already diversified
- 80% of those in business engaged in some form of savings
- 58% of those trained are operating businesses

# Lessons Learned – Programmatic

- Who does microfranchise work for? – reduce attrition
- Distribution and systems for sustainability are key to success
- Private sector investment and ownership important
- Ensure local partner buy in and understanding of program stages
- Mobility of girls in this age bracket in urban areas
- Difficult to systematize buddies
- Businesses remain but makeup of girls change
- What is a success?



# Lessons Learned – Research Partnership

- At midline 67% increase of treatment purchasing power – mobile air time
- Year 1 endline only able to survey 165 of 244 baseline group
- Some clear impacts, comparing treatment to comparison:
  - 50% higher participation in GEM business training
  - Increase trade and salon-specific training experience
  - 15% more of the treatment group report ever had GEM business
  - 7% more of the treatment group still in GEM business – insignificant, BUT - This could mean half the GEM business participants are still thriving!
- Income? Expenditure? Food security? – 1year later, too small a GEM group in the endline survey to say.

# Lessons Learned – Research Partnership

- Design of program components and evaluation must go hand in hand along with allocated resources
- Pilots are key for research design
- High population density in urban areas presents specific challenges for RCTs
- Important to match program staff with skilled research staff
- Phased roll out of applications better than lump at beginning of program – high attrition required finding more program participants
- Research has to align with different stages to a program – maintain accurate process data

# What's Next?

- Given attrition and complications with Year 1 randomization Year 2 presented an opportunity to start over – Year 1 as pilot
- IPA staff sit within IRC and partners to support data collection efforts
- Admission to program will be on rolling basis
- Biometrics (fingerprints) used to identify program participants
- Year 2 will also see the addition of a new treatment arm – Cash Transfers

# What's Next?

2013

	May	June	July	Aug	Sep	Oct
<i>Area 1: Eastleigh, Huruma, and Mathare</i>						
Assigned to GEM microfranchising treatment	125					
Assigned to pure control group	125					
Assigned to cash grant treatment	63					
Required number of applications	417					
<i>Area 2: Baba Dogo, Dandora, and Lunga Lungu</i>						
Assigned to GEM microfranchising treatment			150	165		85
Assigned to pure control group			150	165		85
Assigned to cash grant treatment			75	83		43
Required number of applications			1051			284

# Questions

*What do your programs look like? Do you see similarities? Are the different stages considered in research? What are some of your lessons learned around aligning research and programs?*