



iLab Impact Case Study



Table of Contents

1.	Executive Summary	3
2.	The Challenge and the Solution	5
3.	Establishing Networks that Enable Information-Sharing and Industry-Level Collaboration	8
4.	Stimulating Information Flow through Networks.....	10
5.	Developing Professional Services	15
6.	Results and Learning	18
7.	Stories from iLab Businesses	20
8.	Reflection	22
9.	Conclusion.....	24



Adam Smith
International

1. Executive Summary

The following case study showcases how SOBA's Innovation Lab (iLab) successfully supported the scaling up and replication of innovative business practices generated through the programme's interventions among actors across key markets.

SOBA Background

Sierra Leone Opportunities for Business Action (SOBA) is a UK Aid funded private sector development programme that uses a market systems approach to facilitate pro-poor economic growth in Sierra Leone. The programme collaborates with private sector businesses in three primary areas: (1) sustainable energy, (2) agriculture, (3) professional services and entrepreneurship markets, to trial and to scale innovative and inclusive business practices that reduce poverty and improve economic opportunities for poor women and men.

iLab Background

Under the professional services and entrepreneurship markets, SOBA's Innovation Lab (iLab) is at the core of the programme's approach to getting to scale. The iLab looks to support the replication and scaling of innovations found to generate high returns against sector objectives by making investments poised to:

1. Weave networks to grow network density and foster new nodes that enable collaboration and faster information flow between businesses, service providers, and relevant stakeholders that are positioned to enable scale-up and replication of the successful innovations generated under the programme.
2. Stimulate information flows within these networks and nodes to showcase innovations, highlight high performers and role models, and delineate new opportunities that invite replication and encourage market entrance.
3. Strengthen the Professional Services Industry to durably support second mover replication and businesses' growth sustainability.

Results

Through the setup of ten networking, scaling, and replication platforms and the delivery of 40 knowledge sharing events and products, the iLab expanded SOBA's footprint by reaching over 500 public and private sector organisations in

6 months. The iLab worked with an estimated 225 firms to adopt new business practices and to improve their performance. As a result, 756 poor men and women now have new jobs and increased income.

Aside from successful results reflected by high participation and usage rates from small and growing businesses (SGBs), the iLab enabled the establishment of an SGB-oriented, self-sustaining market for professional services. 10 professional service firms in HR, Marketing, and Finance created new offers for SGBs as a result of iLab support in market space where no credible vendors could be found before. The iLab subsequently enabled these providers to achieve returns on their investments and secure new clients by catalyzing SGBs awareness, demand, and usage of professional services.

iLab activities successfully supported innovative businesses to showcase their potential which in turn stimulated replication among "second movers." As a result and at the broader entrepreneurial ecosystem level, large businesses are becoming more interested in supporting innovation and corporate partnerships are being forged with smaller businesses. Corporations understand entrepreneurship and small business needs better, investors and financiers are more actively targeting SGBs, and entrepreneurs themselves are more involved in business and industry networking and reaching out to ecosystem stakeholders.

2. The Challenge and the Solution

The Challenge(s)

The SOBA programme faced two key challenges in its effort to encourage wider replication of high performing business practices.

First, throughout the first few years of SOBA, the programme offered direct business advisory, supporting marketing, financial management, and human resources needs of business partners. SOBA most often suggested innovations and built the capacity of partners to take innovations forward. While this contributed to strong first mover performance, it posed a challenge for replication and scale among second movers.

Second, the Sierra Leone market dissuades information sharing and collaboration. In an unstable environment that has experienced many internal and external shocks, businesses can be highly risk averse and cautious when sharing with each other. Where members of the entrepreneurial ecosystem do not collaborate or trust each other, the pace of information dissemination is slowed and innovation is stifled – further limiting replication and impact at scale.

Without stronger industry networks, information sharing and collaboration, as well as business and professional services advisory, the innovations proven successful with SOBA core partners would be unlikely to be replicated across markets – limiting overall programme impact.

Sierra Leone Ranking in Global Indexes

- Global Entrepreneurship Index: 135/137 Globally, 28/30 in Sub-Saharan Africa
- Global Competitiveness Index: 132/138
- Weakest area: Start-up skills
- Innovation and R&D Capacity: 130/138
- Firm-level technology absorption: 123/138

Sierra Leone Ranking in the Global Entrepreneurship Index 2017

- 0.025 out of 1 on risk acceptance (highly risk averse) 123/138

Insights from SOBA's enterprise survey, 2017

- 75% of entrepreneurs surveyed consider the lack of trust within their business environment as a challenge to running their business successfully.
- 38% of entrepreneurs rank the lack of legal protection as the second most important obstacle to doing business in Sierra Leone

The Solution

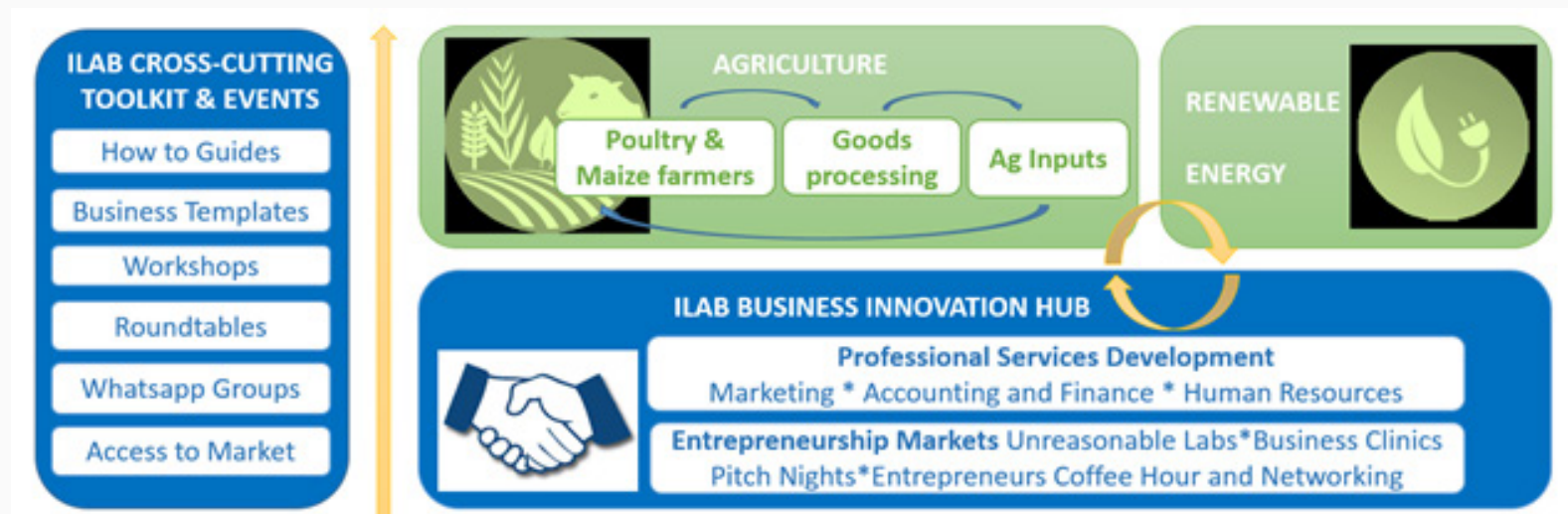
SOBA's iLab was created to support the scaling up and replication of the innovations generated under the programme and to address the lack of collaboration characterizing Sierra Leone's entrepreneurial ecosystem by:

1. Weaving networks to grow network density and foster new nodes that enable collaboration and faster information flow between businesses, service providers, and relevant stakeholders that are positioned to enable scale-up and replication of the successful innovations generated under the programme.
2. Stimulating information flows within these networks and nodes to showcase innovations, highlight high performers and role models, and delineate new opportunities that invite replication and encourage market entrance.
3. Strengthening the Professional Services Industry

to durably support second mover replication and businesses' growth sustainability.

The iLab cuts across the SOBA programme and sectors and is built around two core pillars: 1) the Business Innovation Hub, which invests in the roll out of scale-up platforms poised to weave vibrant entrepreneurial networks, and in building the capacity of the professional services industry; and, 2) a portfolio of cross-cutting activities deployed across SOBA's sectors to support the replication of successful innovation for sector-specific interventions.

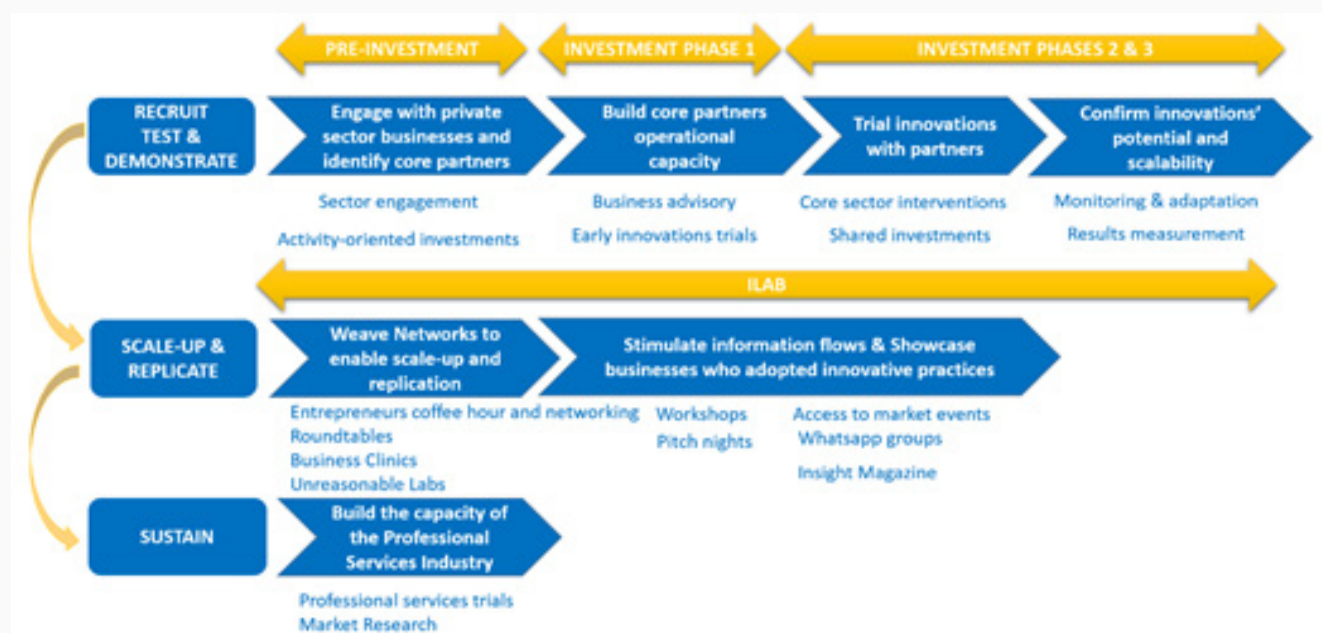
Figure 1: iLab activities supporting the scaling and replication of innovations across SOBA's Portfolio



Servicing to scale SOBA successes, iLab followed the partner engagement path detailed below:

- **Pre-investment:** First partner engagement and activity. Investments typically in the form of SOBA advisory support and small, activity-oriented investments with short-term performance improvement and innovation trial tests. This 'Pre-Investment' phase helped test the commitment and performance of potential partners.
- **Investment Phase 1:** Focused on 1) key internal business and operational management required to operationalise innovations; 2) testing hypothesis and early innovations. Investments include both expanded SOBA advisory support and investment to trial early innovations.
- **Investment Phase 2-3:** A comprehensive and long-negotiated partnership agreement in place. Significant, shared investment to trial innovations and to grow interventions. Activities may be occurring or completed and with ongoing adaptation and monitoring in place. Partner performance well-established. Investment Phase 2 performance a gateway to Investment Phase 3 partnership.
- **iLab Engagement:** SOBA engagement characterised by low-touch activity aimed at encouraging replication and enabling adoption of successful pro-poor business practices by other businesses. The iLab Engagement aimed to support SOBA's interventions in reaching impact at scale.

Figure 2: iLab activities positioning within SOBA's gradual approach to partner engagement



3. Establishing Networks that Enable Information-Sharing and Industry-Level Collaboration

The iLab developed a number of platforms and industry specific networks with the purpose of bringing entrepreneurs, investors, service providers, and other stakeholders together to share information and to showcase innovation. Typically, these networks were clustered around industries or topics.

Networks established include:

- **The Entrepreneur Coffee Hour and Networking Event** which invites on a monthly basis start-ups and other stakeholders from the entrepreneurial ecosystem to participate to thematic discussions, meet with one another, and forge collaborative relationships.
- **Industry Roundtables** which support the development of partnerships, shared strategies, and advocacy among businesses from the same industry, such as the marketing industry.
- **Bi-monthly Business Clinics** open to all entrepreneurs on a first come first serve basis and at which a local professional services provider offers one-day trainings poised to strengthen entrepreneurs' skills in specific technical areas such as branding, web design, or bookkeeping.
- **The Unreasonable Labs** competition, which identifies promising business ideas and selects small cohorts of ten to fifteen growth-oriented entrepreneurs to access finance, technical support, one-on-one business advice, and mentoring over a six days incubation period.
- **The Pitch Nights** which provide the opportunity to four entrepreneurs each month to pitch their business idea to stakeholders from the entrepreneurial ecosystem and generate demand and interest from potential customers, investors, mentors, or services providers.
- **Workshops** led by role models from the industry who trialled successful innovations in partnership with SOBA and provide practical advice to potential second movers willing to adopt these innovations.
- **WhatsApp groups** supporting peer-to-peer learning, market information sharing, and trade. Established across most of SOBA's interventions to support the replication and scaling of innovation, iLab's thematic WhatsApp groups aim to strengthen links among businesses from the same industry beyond iLab events, encourage peer-to-peer learning, market information sharing, and partnerships around the achievement of shared objective.
- **SMS Platform** which allows communication with entrepreneurs about events and used to communicate farming practice tips to farmers (Text-it service).

Figure 3: Indicative iLab activities across SOBA's portfolio of interventions

	Access to Market	Roundtables	How to Guides	WhatsApp Groups
Agriculture	<ul style="list-style-type: none"> Freetown farmers market 	<ul style="list-style-type: none"> Poultry Get Fit Workshops Maize Buyer-led Workshops 	<ul style="list-style-type: none"> Sales distributions systems Agents distribution guide Inventory control systems Basic Customer Relationship Management (CRM) Business Basics Series guides 	<ul style="list-style-type: none"> Poultry sector (53 members) Maize traders Freetown Farmers market (125 members) Goods processors (60 participants)
Renewable Energy	<ul style="list-style-type: none"> Investment day (Solar energy) Mano River Union Investment Forum 	<ul style="list-style-type: none"> REASL 	<ul style="list-style-type: none"> Targeting BoP Guide 	<ul style="list-style-type: none"> Renewable energy (29 members)
i-Hub	<ul style="list-style-type: none"> Made in Sierra Leone branding competition Pitch nights 	<ul style="list-style-type: none"> Marketing roundtable Business clinics Entrepreneurs coffee hour and networking 	<ul style="list-style-type: none"> Customer segmentation Marketing and branding Financial recordkeeping Investors readiness panel Branding Bootcamp 	<ul style="list-style-type: none"> Unreasonable labs (33 members) Sierra Leone entrepreneurs (95 members) Sierra Leone marketing (50 members)

Over the six months of the iLab, 40 learning products and events were completed. A total of 511 participants, primarily businesses, engaged.

4. Stimulating Information Flow through Networks

With networks established, and thus easier access to firms and actors across specific industries, SOBA was able to target information shared. Most often, SOBA leveraged networks to:

1. Showcase high performing businesses as well as new ways of doing business (aiming to build conviction to replicate practices);
2. Offer capacity building support to businesses, including “how-to” guides as well as access to business services providers that appropriately targeted small and growing businesses.

Building conviction to replicate

By showcasing successes and using role models to demonstrate innovations through its scale-up platforms, the iLab accelerates the adoption of innovative practices among second movers.

The *Unreasonable Labs* and the bi-monthly *Business Clinics* invite role models from the industry and core partners with whom SOBA successfully trialed innovations to mentor businesses, pass-on practical advice to them, and deliver trainings. Success stories

Inspiring through Role Modelling: The example of Lion Mountains

The rice producers Lion Mountains introduced iLab mentees to the customer research and validation process that they completed in partnership with SOBA to inform their new packaging, marketing, and distribution strategies. Lion Mountains’ presentation included the practical steps through which they adapted their product range to include retail package sizes that featured messages targeting their average consumer purchase behaviour and addressed accessibility issues by building a local kiosk distribution network.

were shared during roundtables and coffee hours and the monthly Freetown Pitch Night enabled both SOBA and non-SOBA related businesses to share their success with budding entrepreneurs and potential collaborators. By role-modelling successful businesses and noting the processes they used, other businesses began to follow.

The accelerator model developed for iLab’s food and consumer goods processing cohorts is based on training material showcasing the high performing

Inspiring through Role Modelling: The example of Bennimix

The baby food processor Bennimix introduced iLab mentees to the customer validation process that the business went through in partnership with SOBA to acquire a clearer understanding of their customer base and change their marketing approach accordingly, resulting in sales growth.

business practices implemented by core partners during SOBA’s trials, and presentations led by these role models to discuss the trials and the key learnings generated through the experiments.

In the poultry sector, iLab showcases role models through radio talk shows where core partners discuss the successful business practice innovations trialed with SOBA and the increased performance generated by those. SOBA’s poultry sector partners Leecon and Big Things were recently featured in those talk shows.

iLab prepared a marketing video of owners talking about how marketing helped their business and presented it to marketing service providers at the roundtable.

Over the course of the iLab interventions:

- 179 innovation and role models were showcased to businesses.
- 44% of businesses adopted new practices as a result of iLab's interventions

Building capacity

Building SGBs' operational capacity is crucial to enable the successful replication of the innovations demonstrated through SOBA's interventions. At the onset of the programme, SOBA played a more direct business advisory role – stepping in as service provider in absence of a strong and well-fit professional services industry. Support and investment focused on businesses' financial management and recordkeeping practices, marketing strategy, customer orientation, and overall growth strategy. However, in recognition that SOBA would not be available to provide this support to the second movers, the iLab focused on professional services industry performance and appreciation and fit for SGBs as well as guides and workbooks that built capacity to replicate.

Through the bi-monthly business clinics, entrepreneurs can access opt-in support and select the sessions they wish to attend according to their specific needs. This approach helps to ensure that the iLab resources are focused on providing tangible, effective support towards addressing Sierra Leonean businesses' existing needs.

By bringing together high potential entrepreneurs, the Unreasonable Labs program instills the innovation process into the entrepreneurial ecosystem in Sierra Leone. Two cohorts of 12+ businesses were conducted to teach how to do customer discovery, conduct rapid prototyping, and prepare strategic plans to accelerate their ability to bring new customer-centric innovations to market.

iLab also provides technical guidance, supporting the implementation of innovations by second movers through scalable "how-to" guides and business templates, including the following:

- A workbook on customer segmentation, marketing, and branding already rolled out with 45 businesses involved in iLab's food and consumer goods processing cohorts.
- A workbook on financial record keeping and inventory management rolled out with 35 businesses as part of iLab's soap processors training day in Bo and implemented individually with another 23 businesses.
- A series of four "How to Guides" which will be made publicly available on the SOBA website and cover the following topics: 1. basic financial record keeping, 2. inventory control systems, 3. debtors and creditors' relationship management, and 4. branding and marketing. These knowledge contents will be accessible to all small and aspiring entrepreneurs and are inclusive of methods and examples of implementation featuring SOBA's core partners.
- A marketing strategy template developed for marketing firms to use as a model to deliver strategy consulting services to SGBs.
- An agent distribution guide book developed with the view to encourage the replication across different sectors of the successful innovations trialled with the agro-dealer TJAL Enterprises.
- Template tools for sales distributions systems, inventory control, and basic CRM enabling the replication of the successful business practices implemented in partnership with Bennimix, BBOX, and BB Enterprise.

- The workbooks, how-to guides and templates developed as part of iLab toolkit are intended to be simple and customizable for the companies using them, and deployable across sectors and industry verticals.

The iLab's Workshops series are supporting the replication of business practice innovation by showcasing best practices, presenting practical steps to implement those, and enable businesses from the same industry to discuss challenges and approaches to implementation.

- iLab's Poultry Get Fit workshops provide information to farmers on farm management best practices, birds weighting practices, and techniques to prepare high quality feed mixture. The workshops were well attended, with 75% of farmers surveyed participating in at least one. 63% of those declared to have adopted new practices as a result of the workshop, including the adoption of the feed mix recommended during the session; the adoption of bird weighting practices; the installation of appropriate lighting for poultry; and improved regulation of inputs to prevent overcrowding.
- SOBA's Buyer Led Workshops provide poultry farmers with an opportunity to meet with aggregators and maize producers directly, to develop new business linkages, and to learn more about the constraints related to maize production and supply. Farmers also receive exposure to maize trading best practices including the development of formal buying agreements between buyers and sellers, the use of weighting scales to verify the quantities received. 63% of poultry farmers

who participated to the Buyer-led workshop consider their maize sourcing arrangements for the upcoming season as better than last year as a result of the new practices they adopted and of the relationships they developed with suppliers. 100% of poultry farmers, maize aggregators and maize producers who participated to the buyers led workshop reckon their business practices improved as a result of the workshops.

Because of the iLab interventions:

- 56% of businesses say their business operates more successfully now
- 35% of businesses generated new innovations (Estimated at 235 businesses and individuals)
- 21% say their businesses have become more productive
- 18% of businesses say they have become more profitable
- 12% have hired new people contributed to 123 new jobs

Reinforcing Connectivity

The iLab endeavors to change the conversation at the entrepreneurial ecosystem level by engaging widely with private and public stakeholders and bringing those together through the iLab platforms.

To keep businesses engaged with each other after events, the popularity of WhatsApp groups were used by iLabs to support peer-to-peer learning and market information sharing. The groups aim to strengthen links among businesses from the same industry beyond iLab

events, encourage peer-to-peer learning, market information sharing, and partnerships around the achievement of shared objective.

In the poultry sector, 53 businesses joined the Poultry Farmers WhatsApp group created through iLab in February 2017. Farmers' interest in joining the group was primarily motivated by the willingness to access and share market information, to keep abreast with the poultry sector development, and to access a forum to share, discuss, and collectively identify solutions to common problems. 80% of the farmers who joined the poultry farmers WhatsApp group reported to have adopted new practices as a result of the information and advice they received on the group. The business practices replicated by farmers through the poultry sector WhatsApp group include the adoption of new shipment strategies for day old chicks (DOC), access to and use of new suppliers for DOC, the use of agents to source maize; improved access to and use of market information; improved access to and increased use of local inputs; improved ability to communicate on and collectively solve issues arising within the business. 100% of the WhatsApp group participants interviewed confirmed their intention to continue being part of the group.

SOBA invested through iLab in the development and relaunch of Insight Magazine, a quarterly e-publication targeting Sierra Leonean entrepreneurs, CEOs, policy makers and investors present in Sierra Leone and abroad and aiming to drive progress within Sierra Leone's private sector by telling entrepreneurs' stories and

creating a platform to share information. Insights magazine sheds light on activities, initiatives, and organizations that focus on the business sector and intends to develop as a forum that allows Sierra Leone's business community to communicate regularly with each other and provides the tools to help existing businesses and start-ups, multinationals and MSMEs maintain a critical edge in Sierra Leone's challenging business environment. Once finalized, Insight Magazine's action oriented toolkit will enable SGBs to access the resources they need to develop and grow their customer base, educate audiences about their products and services, access affordable advertising, promote their events, learn about investment opportunities, access business advice to grow their business, access a large database of readers from the entrepreneurial community, tap into Insight Magazine's international connections and a strong diaspora network, and attend business seminars and Sierra Leone's only annual investment forum.

SOBA's engagement with Insight magazine supported the adjustment of the magazine's business plan, strategic direction, positioning, pricing business practices, financials, operational structure, and target market segmentation; the development of a new brand, website and media kit; and the organization of the Magazine's relaunch event. Insight's publisher Memuna Forna pitched at the monthly Freetown Pitch Night to showcase her new business model, inform entrepreneurs of the magazine's new offers, and talk about the resources available to the audience via Insight's website or print publication.

To encourage replication, Insight Magazine also hosted a media roundtable to support improved dialogue among Sierra Leone's media players, showcase a new revenue model for media players in Sierra Leone based on online advertising space and business services provision, and encourage the uptake of the publications revenue model.

“So much information on the businesses in Sierra Leone that I would never have known if not for this website. Keep it up.” Foday Lansana Suma

SOBA's website further helps to institutionalize the knowledge and information flowing through SOBA's network. Website visit statistics reflect the buy-in acquired by the programme over time with 816 unique visitors and 1,100 sessions run over a 28 day period in June-July 2017 indicating that some of these visitors came back on SOBA's website multiple times.

Because of the iLab interventions:

- 20% of businesses developed new partnerships
- 12% say they collaborate more

5. Developing Professional Services

To replicate innovations across a sector, a self-sustaining professional services industry orientated around SGBs is needed. However, there is a salient mismatch between the supply and the demand for professional services within Sierra Leone's private sector. In the context of Sierra Leone's nascent entrepreneurial ecosystem, the provision of professional services is mostly dominated by donor-funded initiatives and government agencies, with a smaller role played by for profit organizations. The iLab looks to build the capacity of the professional services industry to durably support businesses' growth, innovation, and networks' sustainability. The iLab Business Innovation Hub investments in the development of professional services in the areas of financial and business advisory, marketing, and human resources are poised to:

1. Improve service provider appreciation of and fit for SGBs in Sierra Leone by:
 - Developing services that appropriately target and service SGBs
 - Reducing costs and improving service through talent acquisition and development processes
2. Increase SGB's value perceptions of service providers by:
 - Developing role models to showcase the value of marketing integration/use, proper book-keeping, and financial analysis
 - Trialing new, transparent offerings and showcasing value
3. Improve networking, information and engagement between SGBs and service providers by:
 - Reducing customer acquisition costs by aiding the development of co-working

Types of business support services

Financial and tax services: Help SGBs to get investment ready, prepare their financial statements, tax returns, audits, and calculate the taxes they owe, provide data for business decision-making

Marketing services: Educate businesses on the value-add of marketing, provide insights on customers, design appropriate strategies for reaching target customers, deploy branding/advertising/communication to reach customers, provide businesses with the data on the success of their marketing efforts

Human resource services: Help SGBs to identify, hire, and retain skilled and motivated employees

Network development services: Help SGBs to connect with new business partners and investors

Training services: Build SGB's managers and employees' capacity, business, and technical skills

Mentoring services: Provide one-on-one advice on addressing the specific challenges that SGBs are facing

Legal Services: Assist SGBs in dealing with any legal matters

spaces / business centers ("Business Clinics") where interested SGBs can easily connect with experts

- Increasing the flow of communication and pace of response and innovation through association events and communication tools (WhatsApp Groups)

Engagement with the sector started with roundtables to understand the service offerings and challenges in the industries and quickly moved into trialing approached to see new services created. The employed

six approaches with professional service firms:

- Supervised direct work for SOBA Partners - Contracted with local providers to provide services to SOBA partners while providing technical oversight

Improving Professional Services Providers' Ability to Serve SGBs: The Example of Elixir

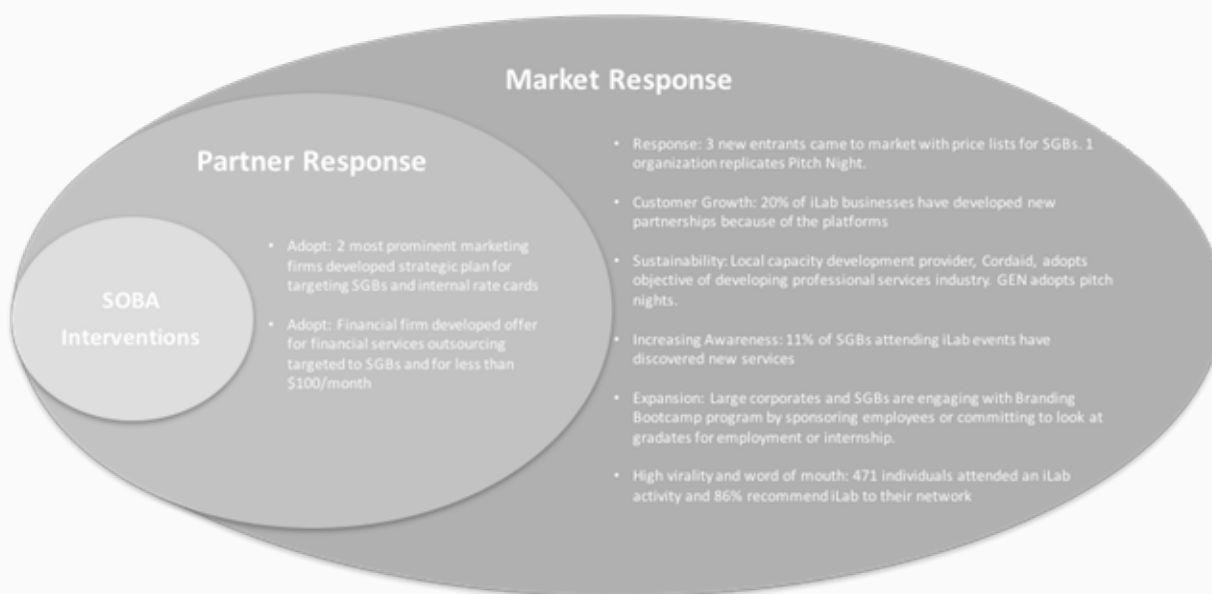
The founder of Elixir marketing media, Ajara Booma engaged with iLab to trial new marketing offerings with the second cohort of Unreasonable Labs mentees, recruit new clients among those, and better understand potential SGB clients.

"iLabs enabled us to gain visibility and capture a new market by providing with the right skills, tools, and platforms to do so. SMEs know more about Elixir because of iLabs and the events we jointly rolled out such as the marketing trials and the business clinic." Ajara Bomah, Marketing and communications manager, Elixir

- Incubation of partner - Incubated service providers to showcase their offers to SOBA SGB partners, developing and iterating offers and then pitching to SGB market widely
- Direct match-making - Provided match-making services where service provider was provided training and guidance on how to sell their services prior to meeting with a SOBA focus-sector partner. Client then paid directly for services.
- Marketplace - Provided the Business Clinic platform for service providers to demo their services to SGBs and learn how they could develop better services for those customers
- Direct training & development - Provided technical assistance to evaluate service providers, co-develop strategies, and set up internal systems
- Encourage new entrants and develop new talent – Developed the "Branding Bootcamp" program to identify and develop new marketing talent. Successful graduates start their own firm or join existing ones.

Most of the first activities took place with three core partners: Elixir, Skytech, and ACE. Over time, as capabilities were assessed, iLab looked to increase its partner portfolio and ended up working to develop offers with 10 different service providers. While interventions only took place over six months, the programme has already begun to see promising response from the industry as a whole:

Figure 4: Partner and Market Responses to Professional Services Interventions



To further the impact of these trials after SOBA, the last approach, primarily involving the development of a “Branding Bootcamp”, looks to quickly increase the amount of marketing talent in Sierra Leone following a rapid assessment and skill development program. This intervention leverages both HR and marketing partners in the country to achieve these results. Cordaid has also adopted the Business Clinic model as part of a plan to continue investment in the professional services industry.

Because of the iLab interventions:

- 70% of iLab participants say they are planning to leverage professional services
- All professional service providers feel they are better equipped to service SGBs
- A financial firm developed a drastically reduced offer for financial services outsourcing targeted to SGBs and for less than \$100/month

6. Results and Learning

Overall Results

The iLab expanded the footprint of SOBA by reaching **over 350 new private sector businesses** in 6 months. The iLab setup ten platforms and delivered **40 knowledge sharing events** and products supporting the scaling up and replication of the successful innovations generated through SOBA's investment.

The response from SGBs proved very positive: Out of the 100 businesses who responded to the iLab impact survey, 89 said they actively recommend iLab activities to their friends. 23% said they've increased positive customer feedback. 65% were able to apply the new knowledge gained through iLab to their operations, 44% reported the adoption of new business practices, and 35% reported to have adopted or generated innovations. As a result of these practice changes, 56% of iLab participants consider that their business operates more successfully, 27% acquired new clients, 14% accesses increased monthly revenue, and 12% hired new employee.

By engaging with professional services providers and highlighting prospects on the SGB market, SOBA succeeded to entice professional service providers to look at SGBs as valuable clients. **10 professional service firms in HR, Marketing, and Finance created new offers for SGBs as a result of iLab support**, in market space where no credible vendors could be found before iLab. As example of increased professional service capabilities, after working with iLab, only 7% of business said their biggest problem was marketing compared to 16% before working with iLab. Based on the insights gained on the SGB market through iLab, professional services firms' adapted their pricing and messages to better respond to SGBs needs. They also acquired a better understanding of the sectors in which these SGBs operate and developed scalable

tools adapted to SGBs needs. **In the meantime, iLab's work on building demand from SGBs to enable the establishment of a self-sustaining market for professional services yielded positive results:** 65% of the businesses who participated to iLab activities expressed interest in using professional services in the near future.

Snapshot of iLab results

- **Outreach:** 511 participants to iLab events including at least 289 men and 197 women, representing 407 public and private sector organisations. iLab events generated high participation rates with 287 participants to the Pitch Nights, 113 participants to the Business Clinics, 92 participants to the goods processing cohorts, and 63 participants to the Unreasonable Labs
- **Outcomes:** The extrapolation of the iLab impact survey results suggests that 225 firms have adopted new business practices facilitated by iLab. Moreover, 756 poor men and women access new job opportunities and increased business revenue – resulting in an incremental income of over 50,000 USD spread across the ecosystem.

At the broader entrepreneurial ecosystem level, large businesses are becoming more interested in supporting innovation and corporate partnerships are being forged with smaller businesses. Corporations understand entrepreneurship and small business needs better, banks are getting interested microfinancing, and entrepreneurs themselves get more involved in networking and reaching out to ecosystem stakeholders.

Public institutions increasingly tend to respond positively to the changes pushed through by the private sector as a result of the concerted advocacy efforts enabled by iLab roundtables.

Corporates increased involvement in supporting small businesses and innovation in Sierra Leone

In the agriculture sector, Mountain Lion agriculture now offers interest free rice seed loans to farmers and grants them access to tractors at affordable costs.

In the renewable energy sector, Energy Efficient Solutions (EES) developed marketing and promotion services for their retailer network.

In the professional services and entrepreneurship markets sector, Africell sponsored the Pitch Night and the SL Brewery engaged with SOBA to discuss involvement in supporting innovation and entrepreneurship.

The international investor Acumen is taking interest the renewable energy sector in Sierra Leone and approached SOBA to request opinions on viable businesses for potential investments.

Catalyse response from entrepreneurial ecosystem stakeholders: The example of the Renewable Energy roundtables

iLab's roundtables within the Renewable Energy sector led to the establishment of the Renewable Energy Association of Sierra Leone (REASL) which formalized private sector businesses collaboration around shared objectives within the industry. As reflected by the new Finance Act passed in 2017, businesses' increased bargaining power acquired through REASL led the government of Sierra Leone to respond favourably to advocacy efforts towards the granting duty waiver and GST exemption on solar products to support the importation and sale of Photovoltaic System Equipment and low energy or energy efficient appliances that meet relevant International Electro-technical Commission (IEC) global standards.

7. Stories from iLab Businesses

Preparing small and growing businesses to innovate: The example of Hannah's Coffee Couriers

Hannah Tarawally's participation in the Unreasonable Labs competition in November 2016 marked the beginning of her journey with iLab. As founder of a local coffee business, Hannah was selected with ten other businesses to participate to the Unreasonable Labs, a five-day incubator where she received an intensive training on business management basics, coaching, and mentoring to validate and implement her business model.

After graduating from the incubator with a finalized business plan and a small grant to start growing her business, Hannah enrolled in the Pitch Night with a few other businesses from the food processing sector to showcase her business idea to over a hundred stakeholders from the entrepreneurial ecosystem. This experience enabled her to gain confidence in pitching her business to external stakeholders and to acquire over ten new clients on the day.

"On iLabs' advice I started marketing to supermarkets (B2B) to get an increase in sales and I started a catering service, which I never thought of before. I upgraded my branding, I communicate more on the quality roast coffee that I sell, and improved the presentation of my stand at events. My monthly revenue doubled, and acquired regular customers for catering services". Hannah Tarawally, Coffee Couriers

Hannah also participated to the monthly Entrepreneur Coffee Hour and Networking where she met and forged a partnership with another iLab participant from the food processing industry.

Currently, Hannah is participating to the iLab food processing cohorts where she receives specialized training and advice on financial management, customer segmentation, marketing, and branding. A number of these sessions are led by of SOBA's first-tier partners who adopted financial management best practices and developed successful branding strategies.

"I learned the principles of customer validation. I learned to value customers and acknowledge their power to make or break a business"

"I learnt the importance of books keeping. My business now has financial records in place, which I established with support from SOBA during the Unreasonable Labs. Before then I was only buying and selling without taking records"



Hannah's involvement in iLab activities have yielded significant results: Her activities have expanded and diversified, her monthly revenue increased two-folds, and she was able to hire one new female employee in the business.

Preparing small and growing businesses to innovate: The example of Wangu

The founder of Wangu Holdings, Patrick Cole, engaged in almost all of iLabs platforms. Wangu's co-founders engaged with SOBA at an early stage of developing their business which has now become a viable, growing enterprise.

"At the time we met SOBA, we were only selling passion fruits. During the business innovation labs we developed a whole different business model and a new business plan: In addition to passion fruits, we now grow rice, pepper, potato leaves, and other vegetables". Patrick Cole, Co-founder, Wangu Holdings

Aside from their participation to the Unreasonable Labs which enabled them to validate and develop their business idea, Wangu's co-founders attended most of the iLab's bi-monthly business clinics in order to upscale their business management skills and improve their business practices.

We now have the fundamentals: a financial account, accountants to go through the books, market information and data, and evidentiary material to support our decisions."

Wangu participated to the pitch nights and the business holds a stand in Freetown's farmers market, a monthly Access to Market event implemented through iLab where agribusinesses get the opportunity to showcase their products, meet with customers, and access direct customer feedback on the day.

"We acquired over 150 new clients. We now have more than 200 customers just for the passion fruit juice, and we have at over 60 new full time employees to provide support on other crops."

Wangu's journey with the iLab yielded significant results, both from the business performance and networking perspectives.



8. Reflection

The iLab's effectiveness in supporting replication and scaling is grounded in a number of best practices:

1. **Adjust to Sierra Leone realities and local businesses' needs.** SOBA's research on the entrepreneurial ecosystem uncovered key issues facing entrepreneurs in Sierra Leone and highlighted the predominance of necessity entrepreneurship in Sierra Leone.

"One of Sierra Leone's realities is that a lot of people are entrepreneurs by necessity. But some of them are successful. We need to make these businesses more resilient, by enabling them to professionalise, learn how to deal with cash flow, and prepare exit strategies." Sheka Forna, Executive director, Regrow West Africa

The iLab's platforms and toolkit are addressing this reality by offering very basic and accessible business management training content and templates to entrepreneurs, and by providing practical support to help them improving their management practices. The trainings are inclusive of engaging team activities and games to help participants understand the concepts presented. In some cases, the Business Innovation Hub's support contributed to turn necessity entrepreneurs into skilled, growth-oriented ones.

"The training sessions involved a lot of mind games. Those enabled me to understand the concepts better"
Harold Nat Johnson, founder, A Jazzy Concept

Rather than upgrading the skills of a few high educated entrepreneurs, the approach taken by the iLab is one of large scale professionalization. The purpose of the iLab's entrepreneur-centric activities is to provide any individual in business with the management

fundamentals required to gain credibility on the market.

2. **Build entrepreneurs' confidence.** A large part of helping businesses to gain credibility on the market has to do with building entrepreneurs' confidence in themselves and in their project, so that they can confidently and credibly reach out to potential investors and customers.

"The key is to give young entrepreneurs in Sierra Leone the confidence to be assertive." Alfred Akibo-Betts, Deputy Commissioner at the NRA and co-founder of Freetown Business School

3. **Combine theoretical and practical learning.** Aside from upscaling entrepreneurs' business skills through training, the Unreasonable Labs and the Business Clinic platforms provide the medium term practical support and the resources that businesses need to implement new business successfully.

"Most programmes deliver trainings and send entrepreneurs home with a certificate but no clue on how to implement the knowledge they gained. ILab works alongside entrepreneurs to help them implementing what they learned. There is proper follow-up and ongoing support." Patrick Cole, Co-founder, Wangu Holdings

4. **Inspire and build conviction through role modelling.** Sierra Leone's shock-prone business sector leads most entrepreneurs to be risk-averse and reluctant to innovate. To mitigate for this business culture, the iLab regularly showcases experienced entrepreneurs who successfully grew their business by taking risks and generating innovations addressing market gaps. Gaining exposure to these role models contributes to

change iLab mentees' approach to innovation.

"I feel I can take more risk now than before. The Unreasonable Labs mentors really inspired me. They told me about their failures and how they kept going. I feel more confident now and even if I fail it will mean that I am really learning something". Fuad Abdulai Bawoh, Co-founder, Sure Spree Limited

5. **Manage the tension between competition and collaboration.** The absence of proper legal, identity or credit systems in Sierra Leone means that almost all business dealings are made on trust – at great personal risk and often among initiates.

In this context, the iLab endeavored to create a conducive environment for the development of trustworthy relationships among iLab mentees, by encouraging peer to peer learning and collaborations. As a result, iLab mentees seem to acknowledge the value of partnerships and the importance of learning

from competitors to innovate.

"We are in a society that has very few protections for businesses. As a result I am averse to engaging in business matters with anyone that I do not know personally. We tend to do business in a restrained circles which is tough on young entrepreneurs. Modupe Taylor Pierce, managing partner, CTI Limited

"We learned a lot from other participants and competitors. We also partnered with another iLab mentee, Connet SL. They are doing our social media marketing now." Co-founders, V-Motion Studio

9. Conclusion

The iLab interventions catalysed business practice innovations scale up and replication in the context of Sierra Leone's thin markets with limited market support capacity. These interventions demonstrated the power of building professional services and the environment supporting small and growing businesses by utilising smart, targeted scale up and replication tactics. To successfully reach SGBs in Sierra Leone, further replication and scaling is needed of these platforms and professional service providers.

Working in a market systems approach, SOBA is encouraging its core partners to directly support the replication of the successful innovations in which they co-invested with SOBA by their suppliers and clients.

Further, many of iLab's platforms, how-to-guides, and success stories will be continued beyond SOBA and replicated across the country. The World Bank indicated interest in launching a subsidy programme drawing from the lessons from SOBA Smart Subsidy activity in the agriculture sector and the Family Kingdom offered to serve as a venue for future Freetown Farmer's Markets pro bono. Other organisations such as Full Circle Africa, the Impact Hub, iLead, and Sensi have already replicated iLab activities within Sierra Leone's entrepreneurial ecosystem.

"SOBA influenced a reorientation of the Freetown Business School towards supporting poorer entrepreneurs: It is not all about making money but also about helping promising entrepreneurs, irrespective of their financial means. We now enable high potential poor entrepreneurs to attend some of our classes for free". Alfred Akibo-Betts, Deputy Commissioner at the National Revenue Authority and co-founder of Freetown Business School

To catalyse this process, SOBA identifies and shares insights and know-how with stakeholders from the entrepreneurial ecosystem who are willing to replicate and scale iLab activities, including 6 agencies that plan to continue a replicated version of SOBA's efforts. In particular, the Sierra Leone's Global Entrepreneurship Network (GEN) expressed interest in adopting and adapting the Pitch Nights concept, while Cordaid is looking into replicating the bi-monthly business clinics.

"As part of our intention to replicate GEN's good work across the world in Sierra Leone, we hope to take over ILab's Pitch Night. We are also launching two business competitions – including a Creative Business Cup - in addition to the global entrepreneurship week. We also work an invest in Sensi Hub to support the development of innovation labs." Sheka Forna, Executive director, Regrow West Africa and member of the board, Global Entrepreneurship Network Sierra Leone (GEN)