
SME BUSINESS TRAINING AND COACHING LOOP

MINIMUM QUALITY STANDARDS

(MQS)



Published by

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

ACKNOWLEDGEMENTS

Development of Minimum Quality Standards for the introduction and implementation of the SME Business Training and Coaching Loop (SME Loop)

This paper proposes minimum standards for the relevant processes of the SME Loop and provides supporting tools, collected mostly from projects in Benin, Nigeria, Sierra Leone and Malawi.

I would like to thank all colleagues who facilitated this work:

- Samson Kougbadi, Joé Toho, Clément Dadjò, Xavier Toviho, Rufin Godjo, Boniface Ayenan, Dr. Stefanie Slaoui-Zirpins, Kay Grulich of ProCIVA Benin, who invested a week of their time and shared with me probably every detail of SME Loop implementation in Benin.
- Giulia Secondini, Sierra Leone
- Sina Uti-Waziri, Okeoghene Abobise, Ann-Kathrin Sauer, Nosa Osunde, Beatrice Tschinkel, SEDIN Nigeria
- Christina Chigwenembe and Laura Schueppler, Malawi
- Master Coach colleagues Verni Vijayarajah, Toni Hassenmeier, Ton van der Krabben, Nosa Osunde, Margret Will
- Ralf Barthelmes and Sebastian Reichert, and the standards specialist Dr. Hans-Dieter Schinner, who all contributed to getting the concept right.

Dr. Christoph Reichert, November 2018

Published by:

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Registered offices
Bonn und Eschborn

Global Programme “Green Innovation Centres for the Agriculture and Food Sector”

Friedrich-Ebert-Allee 36 + 40
53113 Bonn
T +49 228 44 60-0
F +49 228 44 60-17

E info@giz.de
I www.giz.de

Author:

Dr. Christoph Reichert

GIZ is responsible for the content of this publication.

Bonn, March 2019

CONTENTS

ACKNOWLEDGEMENTS

1	OBJECTIVES	01
2	METHODOLOGY	01
3	APPROACHING A DEFINITION OF MINIMUM QUALITY STANDARDS	01
4	HOW TO READ THE MQS MATRIX	02
I	DEFINE YOUR SME LOOP	02
II	GETTING STARTED - PREPARING IMPLEMENTATION	02
III	SME LOOP IMPLEMENTATION STEP BY STEP	03
IV	LOOP COMPLETION AND BEYOND	03
5	THE MQS MATRIX	04
	REFERENCES	24

1. OBJECTIVES

The **triple purpose** of the endeavour was:

- to ensure an identity and brand of the SME Loop as a product being rolled out in an increasing number of projects and countries.
- to support projects in handling complex processes, encouraging mutual learning rather than reinventing the wheel by each introduction of the SME Loop, without trying to prescribe details on 'how to do'.
- to assure a reasonable quality of the SME Loop introduction and implementation and systematic quality management.

2. METHODOLOGY

The standards and supporting tools proposed are based on discussions with multiple colleagues and the work done before and in throughout the task.

In a parallel effort, the Standard Training Materials¹ for the SME Loop as well as Capacity Development Manual² - including Training of Trainers/ Coaches - have been developed by the Master Coach Verni Vijayarajah, based on her international training and coaching experience and involvement in SME Loop implementation in Nigeria and Malawi. Accordingly, sections in this document related to the manuals/ handbook have cross-references. Regarding the coaching approach and quality, I have referred to the 2018 version of the SME Loop Coaching Guide³.

In order to benefit from different experiences and perspectives, various interviews and discussion were conducted with:

- SME Loop Master Coaches who made themselves available
- Project Managers and staff implementing the SME Loop in Benin, Malawi, Nigeria and Sierra Leone

During desk research, supporting tools from Benin, Burkina Faso, Ghana, Malawi, Nigeria, and Sierra Leone have been collected.

3. APPROACHING A DEFINITION OF MINIMUM QUALITY STANDARDS (MQS)

- (1) Standardising a product: details and characteristics of a product are defined. For example, a certain type of screw is defined by its length, form and direction of the thread, form and size of the head. This type of definition can be applied on the SME Loop as a product, to a training or coaching product such as SME Loop Training 1, 2, etc.
- (2) Defining minimum requirements for processes: Predominantly, the context of the SME Loop deals with processes rather than products. Thus, minimum criteria of how the process should be done can be offered, such as selection and transparency criteria for selection processes, procedures for tendering and evaluation processes. Such criteria and minimum requirements provide support and guidance to projects.
- (3) Request that projects reflect and document their SME Loop processes: Processes depend on the way people organise and structure their work. This depends on their attitudes and experience as well as on the environment in which they are working and cannot always be standardised from outside. In this case, the minimum standard would imply that people reflect on their process, go through it and document process and results. This is of course the softest way and it leaves the work of designing processes to projects and offers little support.

¹ Verni Vijayarajah (2018): SME Business Training and Coaching Loop Standard Training Materials.
² Verni Vijayarajah (2018): SME Business Training and Coaching Capacity Development Manual.
³ Ralf Arning, GIZ (2018): SME Business Training and Coaching Loop – Coaching Guide.

4. HOW TO READ THE FOLLOWING MATRIX

COLUMN 1: SME LOOP STAGES

- I. Define your SME Loop - Strategic planning, boundaries, and strategic decision making
- II. Getting started - preparing implementation
- III. SME Loop Implementation step by step
- IV. SME Loop completion and beyond

Note: M&E is relevant throughout the stages II, III, and IV.

COLUMN 2: MAJOR PROCESS OF THE INTRODUCTION AND IMPLEMENTATION OF THE SME LOOP

I. Define your SME Loop

This comprises the following major processes:

- Define your SME Loop
- Environment and cooperation system scanning
- Setting the system boundaries
- Decisions on cooperation system
- Planning for communication, steering and learning
- Planning for impacts and sustainability

Processes in the handbook are expanded in this section in order to include additional processes that have strategic importance:

- Environment and cooperation system scanning in order to prepare the basis for an informed decision making on the partner system
- Decision making on the cooperation system, i.e. options regarding the choice of implementing partners
- Developing a steering mechanism for the SME Loop and communication systems with stakeholders throughout the whole process, including continuously feeding back learnings into the stakeholder system
- Thinking in terms of impacts: upscaling and sustainability mechanisms from the beginning of the SME Loop planning

II. Getting started - preparing implementation

This involves the following major processes:

- Identifying resource requirements, tentative costing and pricing
- Drafting an M&E system
- Promoting the SME Loop
- Selecting service providers/ implementing partners
- Selecting trainers and coaches
- Capacity Development (CD)
- Selecting financial sector stakeholders/ institutions/ programmes for cooperation
- Identification and pre-selection of potential participants/ entrepreneurs

III. SME Loop implementation step by step

This comprises the following major processes:

- Assessment and selection of entrepreneurs
- Training
- Coaching
- Involving financial institutions/ linking to business finance

IV. Loop completion and beyond

This involves the following main processes:

- Processing M&E data for documentation and learning
- Graduation Ceremony
- Coaching 3 (optional)
- Sharing lessons learnt

Emphasis is here on the timely processing of SME Loop results, sharing of learnings for improvement of the next SME Loop and winning over stakeholders for replication and upscaling.

COLUMN 3: CHARACTERISTICS AND/ OR SUB PROCESSES (OF COLUMN 2)

Sub-processes flow logically from the major processes mentioned above. They do not need to be explained in detail here.

COLUMN 4: MINIMUM QUALITY STANDARDS (MQS) FOR (3) AND/ OR (2)

In column 4, minimum quality standards for the above processes and sub processes are proposed.

COLUMN 5: COMMENTS AND EXPLANATIONS

This column provides space for comments.

COLUMN 6: SUPPORTING TOOLS AND DOCUMENTS

This column comprises suggestions in the sense of supporting tools for the individual processes and proposed minimum quality standards. They have been collected from the projects mentioned above and reflect their practice. The selection is based on the fact to support the proposed MQS, including already implemented tools in English as well as French language from different projects.

With regard to M&E, an (future) uniform system for SME Loop implementation in different countries could enable a cross-comparison of results under different conditions and with different interventions, and such mutual learning, combined reporting and comparative research across different countries. The Benin project is pioneering a control group methodology that will be a big step forward towards isolating the contributions of the SME Loop intervention and clarify attribution. Online data capturing is being introduced e.g. in Benin (Google), and Nigeria and Malawi (**KoBo Toolbox**).

5. THE MQS MATRIX

RECOMMENDATION: contract a GIZ-trained international Master Coach for support in introducing the SME Loop.

SME LOOP STAGES	PROCESSES	SUB PROCESSES/ CHARACTERISTICS	MINIMUM QUALITY STANDARDS	COMMENTS	SUPPORTING TOOLS AND DOCUMENTS
I. DEFINE YOUR SME LOOP	Definition		<ul style="list-style-type: none"> Target group existing SME with a clear incentive to grow and generate employment (<u>specifications below: Target group</u>). Methodology <p>There are at least two trainings and two coachings:</p> <ul style="list-style-type: none"> - Coaching always follows training - Training and coaching are interlinked such that coaching content builds on the training content (<u>specifications below: Training, Coaching</u>) <ul style="list-style-type: none"> Financial institutions are systematically included in the entire loop cycle (<u>specifications below: Involving financial institutions/ linking to business finance</u>). Training and coaching are demand-oriented, i.e. based on clients' demand rather than projects' preferred offers. 	<p>In principle, the SME Loop methodology can be adapted to suit different types of target groups.</p> <p>For example, target groups with:</p> <ul style="list-style-type: none"> • Lower literacy/ numeracy levels • MSME • MSME (e.g. in Malawi) <p>Such adaptations will influence the cost – benefit ratio.</p> <p><u>See below: Target group</u></p> <p>Minimum standards for training and coaching in terms of number and qualification of trainers, number of participants, number of training and coaching days, use of quality materials (<u>specifications below: Training and coaching progress and results</u>) are met.</p>	
	Environment and cooperation system mapping		<ul style="list-style-type: none"> • Documentation of an environmental mapping process • Documentation of options for collaboration with potential strategic partners 		Stakeholder Map (Capacity WORKS)
	Setting the system boundaries	Identifying objective(s)	<ul style="list-style-type: none"> • Reflection and identification on the SME Loop's contribution to overall and specific programme objectives • Definition of objectives linked to business growth, business improvement, employment generation, income growth. 	<p>When defining the objectives to be achieved by the SME Loop, stay as close as possible to objectives and indicators of your project.</p> <p>At the same time, define objectives which can be delivered by the Loop and which are in accordance with entrepreneurs' demand.</p>	<p>Programme offer</p> <p>Global Matrix (M&E)</p>
		Target group	<p>Business owners/managers:</p> <ul style="list-style-type: none"> • with literacy and numeracy skills • with well established businesses in operation for at least 12 months • showing strong growth potential • ready to contribute to the cost of the Loop • size criteria (employment, sales) to be defined by the project 	<p>The SME Loop is designed for well-established businesses with growth potential. This will minimize the risk of failure, contribute to maximizing results, and cost benefit.</p> <p>Contribution from the participants should be demanded at latest when the SME Loop is well established in the country.</p> <p>Target group data are reflected again in the criteria for selection of participants below.</p>	<p>Selection criteria: see: selection process</p> <p>Example: target group definition, Benin</p>
		Geographical outreach, quantitative	Definition of geographical and quantitative outreach in line with programme design and resources.		

SME LOOP STAGES	PROCESSES	SUB PROCESSES/ CHARACTERISTICS	MINIMUM QUALITY STANDARDS	COMMENTS	SUPPORTING TOOLS AND DOCUMENTS
I. DEFINE YOUR SME LOOP		Timeframe	<p>Definition of <u>overall timeframe</u> in line with project requirements:</p> <ul style="list-style-type: none"> Preparation time for the first Loop cycle and the methodology: 6 – 9 months Preparation of succeeding batches: up to 2 months Implementation time per Loop: 6 months (excluding preparations) 	<p>A good preparation guarantees at least 50% of the success of the Loop. Therefore, do not rush into implementation. Failing to plan is planning to fail.</p> <p>Time for preparation can vary significantly depending on various aspects such as stakeholder mapping, contracting, capacities of implementation partners/ service providers (length of ToT and ToC), need for translation of training materials and forms, etc.)</p> <p>First results data are available after ≤ 12 months from starting Training 1.</p>	Gantt (bar) chart for operational planning
	Decisions on cooperation system	Decision making on type of service provider(s), implementing organisation(s) and support organisations, including financial institutions/ programmes	<p>Documented decisions based on:</p> <ul style="list-style-type: none"> environmental mapping and stakeholder analysis above method of training/ coaching service provision and its reasons financial services partners and other potential support organisations. 	<p>Depending on the environment, training and coaching can be provided by</p> <ul style="list-style-type: none"> Commercial providers/ firms Non-Governmental Organisation Government organisations (with limitations) Individual trainers/ coaches hired by the programme. <p>Sustainability and upscaling issues need be considered from the beginning.</p> <p>Business financing could come from microfinance institutions and programmes, banks, venture capital providers/ business angels, government programmes.</p> <p>Other MSME support institutions/ programmes might have a role to play.</p>	<ul style="list-style-type: none"> Stakeholder Map above SWOT analysis
	Planning for communication, steering and learning	Communication strategy	<p>Development and documentation of a (A) communication and (B) steering strategy for major stakeholders, involving:</p> <p>(A)</p> <ul style="list-style-type: none"> Service providers Support organizations Entrepreneurs 		Capacity WORKS
		Steering and learning strategy development	<p>(B)</p> <ul style="list-style-type: none"> Mechanism to regularly incorporate SME Loop results and challenges into SME Loop approach to enable a constant learning process including stakeholders 		Capacity WORKS
	Planning for impacts and sustainability		<p>Identification and documentation of a potential, sustainable upscaling strategy involving in partners for implementation of the SME Loop.</p>	The strategy can be further developed in an iterative process	Capacity WORKS

SME LOOP STAGES	PROCESSES	SUB PROCESSES/ CHARACTERISTICS	MINIMUM QUALITY STANDARDS	COMMENTS	SUPPORTING TOOLS AND DOCUMENTS	
II. GETTING STARTED - PREPARING IMPLEMENTATION	Identifying resource requirements, tentative costing and pricing	Steering, implementation support, and M&E	Identification of the following positions: <ul style="list-style-type: none"> SME Loop manager Regional managers M&E Officer International Loop Master Coach (short term) to accompany the introduction of the SME Loop 	Required programme human resources depend on the size of the intervention, number of Loop batches developed simultaneously, and geographical diversification. Whether positions are fulltime or part-time depends on the intervention size.	Human resources : Benin (2017) Nigeria (2017)	
		Estimating external human resources for SME Loop (Services Providers, Implementing Partners)	At least 1 SME Loop coordinator per service provider/ partner organisation Trainers and coaches Training 1 & 2 <ul style="list-style-type: none"> 2 trainer at a time at least 2 x 2 x 3 trainer days per 20-25 participants for implementation per Loop additional preparation time: at least 1 day/ trainer per training Coaching 1 At least 2 coaching sessions of 1.5 to 2 hours each per entrepreneur per month for 2 months. Coaching 2 At least 2 coaching sessions of 1.5 to 2 hours each per entrepreneur per month for 3 months .	The model assumes that the coach visits the entrepreneur, not vice versa. This implies that the travel time needed by the coach depends on distances to be travelled. This can be optimised by projects, but not standardised.	Human resources : Benin (2017) Nigeria (2017) SME Loop Costing : Benin (2017)	
		Estimating direct costs	Development of a framework to estimate other direct cost for venue, transport, food, etc. which helps to calculate the overall budget needs.	E.g. venue, transport, food, selection, training and coaching materials, participants' handouts/ handbooks	SME Loop Costing : Benin (2017) Nigeria (draft 2017) SME Loop Capacity Development Manual (2018)	
		Pricing of Loop participation	Participating entrepreneurs contribute to the cost of the Loop.	At the phase of introducing the SME Loop in a country it is probably necessary to offer the SME Loop for free (promotion phase). Once the SME Loop is known and established, a free service provision is not advisable, as it tends to serve people who do not value the service and who may not invest in benefitting from the service. Valuation of in-kind contributions is an option.	None	
		Costs for capacity development for implementing partners, trainers and coaches	Estimation of the costs for training of trainers, coaches and the implementing partners.	Ideally, SME Loop Master Coaches provide these trainings. See below: Capacity Development (CD)		
		Drafting an M&E system	M&E Approach	Design of an M&E approach, including: <ul style="list-style-type: none"> Monitoring/ supervision of service providers, trainers, coaches Monitoring of training and coaching progress 	Recommendation to follow a control group methodology. Unless, separated from other factors like general market development, inflation etc., measured changes in businesses that have undergone the SME Loop cannot be clearly attributed to the SME Loop intervention.	Road Map M&E, Benin (2015) M&E Concept, Malawi (2018) Summary of indicators, Benin (2015) Methodologie Groupe de controle, Benin (2015) CTNA Questionnaire, Sierra Leone

SME LOOP STAGES	PROCESSES	SUB PROCESSES/ CHARACTERISTICS	MINIMUM QUALITY STANDARDS	COMMENTS	SUPPORTING TOOLS AND DOCUMENTS
<p style="text-align: center;">II. GETTING STARTED - PREPARING IMPLEMENTATION</p>		<p style="text-align: center;">Training and coaching progress and results</p>	<p>Establishment of a method to monitor and evaluate the ongoing Loop process and entrepreneurs' learning.</p>		<p>Rapport de visite de l'entrepreneur, Benin (2017)</p> <p>Business Training Monitoring Form, Sierra Leone</p> <p>Business Training Evaluation Form, Sierra Leone</p> <p>Coaching Session Report, Benin (2017)</p> <p>SME Loop Summary Report, Nigeria (2017)</p> <p>12 Months Update, Nigeria (2017)</p> <p>Monthly Assessment of the Support for SMEs, Benin (2018)</p> <p>M&E Concept, Malawi (2018)</p> <p>Reporting Template, Malawi (2018)</p> <p>Check List: coaching monitoring form, Sierra Leone</p> <p>Action Plan (Coaching & Monitoring), Sierra Leone</p> <p>Individual Targets (Example), Sierra Leone</p>
		<p style="text-align: center;">M&E of SME Loop results</p>	<p>Elaboration of a monitoring system for the SME Loop.</p>	<ul style="list-style-type: none"> • Wherever possible, the monitoring of the SME Loop should be covered as much as possible by the monitoring system of the entire project. • However, it might be useful to add some indicators and monitoring activities to measure specifically the success of the SME Loop. In addition, this will enable comparative research across projects. • There are many variables that can be included in the indicators (see examples in the supporting tools). • The variables to be selected should allow the measurement of the objectives to be achieved with the SME Loop. • Baseline data is collected and verified during processes of entrepreneur selection and Coaching 1. <p>And please don't forget: Identify persons that are responsible for M&E.</p>	<p>Tableau de Bord de Suivi de l'entrepreneur, Benin (2015)</p> <p>Monitoring Dashboard, Nigeria (2017)</p> <p>M&E Database, Malawi (2018)</p> <p>Assurance Qualité, Benin (2015)</p> <p>Summary of Milestones and Targets for M&E, Sierra Leone</p> <p>Fiche de contrôle de la qualité, Benin (2015)</p> <p>Indicateurs recherches pour l'impact du SME, Benin (2017)</p> <p>Le Business Clinik, Benin (2018)</p> <p>M&E Concept, Malawi (2018)</p> <p>Data Information Sheet, Nigeria (2017)</p>

SME LOOP STAGES	PROCESSES	SUB PROCESSES/ CHARACTERISTICS	MINIMUM QUALITY STANDARDS	COMMENTS	SUPPORTING TOOLS AND DOCUMENTS
II. GETTING STARTED - PREPARING IMPLEMENTATION	Promoting the SME Loop	Defining promotional strategies and tools, and implementation	<ul style="list-style-type: none"> PR materials are available Identification of adequate channels for the promotion of the SME Loop 		Success Stories, Benin (2017) Green Innovation Centre for Agriculture and Food Sector - Movie, Benin (2018) Factsheet, Benin (2017) Factsheet, Ghana (2017) Factsheet, Malawi (2018) SME Loop Figure, Sierra Leone
	Selecting service providers/ implementing partners	Calling for expression of interest/ proposals, evaluation of offers and selection of potential institutions/ partner organisations based on assessment and discussions	Identification/ selection by applying a transparent process based on criteria such as: <ul style="list-style-type: none"> Experience in MSME development, training, coaching Experience in adult learning methodologies Capacity to organise, train, coach Ability to provide HR Understanding of task Target group match (location, language, gender) Financial offer/ cost Potential for upscaling and sustainability 	In many countries, it might be difficult to find institutions with a coaching approach similar to the one described in the SME Loop Coaching Guide/Handbook. Still, the right coaching attitude is a key success factor for the SME Loop. Institutions with a good coaching approach should be preferred.	Request for Proposals (BDS), Malawi (2018) TDR pour le recrutement, Benin (2017) TOR Engagement of BDS Providers, Malawi (2017) Fiche de dépouillement, Benin (2015) Evaluation Scheme for Technical Assessment of Offers, Malawi (2017)
		Contracting	Usage of available MoUs and/ or GIZ contract formats.		GIZ contract options: service provision contract; local grant; financing agreement.
	Selecting trainers and coaches	Based on service providers/ partner organizations' proposals or calling for Eols/ proposals by individual trainers/ coaches evaluation and selection	Transparent process based on criteria such as <ul style="list-style-type: none"> Business related competencies/ knowledge Experience with adult learning methodologies (such as CEFE, SIYB) Training experience Coaching experience Target group match (location, language, gender) Considering sociodemographic variables, if relevant 	Selection of trainers/ coaches is normally linked to selection of service providing organisations. However, there could be cases where trainers/ coaches need to be contracted individually.	Fiche de dépouillement, Benin (2015) Evaluation Scheme for Technical Assessment of Offers, Malawi (2017)
	Capacity Development (CD)	Assessing the capacity gaps and CD requirements of: <ul style="list-style-type: none"> GIZ/ consultants' project management and staff SPs/ partner organisations trainers, coaches 	Documentation of capacity assessment based on evaluation/ selection processes above and additional interviews and discussions if needed.	<ul style="list-style-type: none"> Capacity Development sub-processes described below do not necessarily need to be implemented before starting Loop implementation. Onboarding and ToT/ToC are required before implementation. Apart from that a specific level of knowledge of CD needs is required before, which informs continuous support and CD during implementation. 	Capacity WORKS

SME LOOP STAGES	PROCESSES	SUB PROCESSES/ CHARACTERISTICS	MINIMUM QUALITY STANDARDS	COMMENTS	SUPPORTING TOOLS AND DOCUMENTS
II. GETTING STARTED - PREPARING IMPLEMENTATION		Designing CD strategies for most crucial gaps	Documentation of a CD strategy for SME Loop implementation	There is a trade-off between time consuming CD for the SME Loop and achieving quick results. A CD strategy should therefore be as light as possible and as comprehensive as necessary. Onboarding of stakeholders in the sense of creating a common understanding of Loop identity and process and preparing trainers and coaches (ToT/ToC) are required before SME Loop implementation. Other CD interventions can be done during Loop implementation depending on the needs.	
		Onboarding/ introductory workshop(s) for project management and staff, and stakeholders	Conduction of an onboarding workshop with support of international SME Loop master coach: <ul style="list-style-type: none"> Based on assessment of information needs and demand, and on MQS and Standard Training Manual 2018 Minimum 1 day, 2 facilitators, plus international SME Loop Master Coach 	Onboarding workshops generates a joint understanding of the SME Loop and involved processes among stakeholders including GIZ staff and project management.	SME Loop Capacity Development Manual (2018)
		Training of Trainers (ToT) Training of Coaches (ToC)	Based on assessment of needs and on Standard Training Manual <ul style="list-style-type: none"> 2x10 days: incl. on the job coaching during piloting of first entrepreneurs' training and coaching. Conducted by international plus national Master Trainer/ Coach with ample experience in training/ coaching At least 2 trainers at a time plus International Loop Master Trainer/ Coach Evaluation results and grading of trainers and coaches to be used in SME Loop implementation 	During the piloting of first entrepreneurs' training and coachings: job coaching by an international (later: also national) SME Loop Master Coach is useful and can be integrated into the ToT/ToCs. Optional: An upgrading or advanced ToT/ToC should be conducted at a suitable time (e.g. after 1 year)	SME Loop Capacity Development Manual (2018)
		Trainers/ coaches certification scheme	<ul style="list-style-type: none"> Organised learning of trainers/ coaches over a period of at least 5 SME Loops Supervised by an international, later by a National SME Loop Master Trainer/ Coach with extensive training and coaching experience Evaluation of trainers/ coaches by international Master Trainer/ Coach Certification of qualifying trainers/ coaches Certification of Master Trainer(s)/ coach(es) 	The quality of training/ coaching is a key variable in the SME Loop process. Therefore, the qualification of trainers/ coaches an essential part. Details of a certification scheme could entail: A system of assistant, co- and master trainers/ coaches, with trainers/ coaches progressing through <ul style="list-style-type: none"> Participation in ToT/ToC The number of completed training programmes/ coachings under supervision Interviews to a certain understanding of concepts Participation in advanced ToT/ToC 	For a start: Business Training Monitoring Form, Sierra Leone (2014) Certification system to be developed.

SME LOOP STAGES	PROCESSES	SUB PROCESSES/ CHARACTERISTICS	MINIMUM QUALITY STANDARDS	COMMENTS	SUPPORTING TOOLS AND DOCUMENTS
II. GETTING STARTED - PREPARING IMPLEMENTATION	Selecting financial sector stakeholders/ institutions/ programmes for cooperation	Publishing the programmes cooperation offer Calling for Expression of Interest or Contacting individual financial institutions/ programmes based on environment scanning/ stakeholder analysis	Establishment of cooperation agreements with financial institutions/ programmes/ actors based on criteria such as: <ul style="list-style-type: none"> • Relevant service offer for the SME Loop participants • Genuine interest in business relationship • Agreed upon role in the SME Loop process. This could entail: <ul style="list-style-type: none"> • Linking businesses to financial service providers during coaching (Coaching 2 - Phase 4) • Business Development Plan (BDP) evaluation³ • Participation in the Graduation Ceremony and in pitching events • B2B meetings • Linking to donor programmes (microfinance, matching grants, SME finance). 	Access to financial services is important for business development. However, not all offers by financial institutions and microfinance programmes help SMEs to grow. In particular, high interest rates can be potentially borne by trading enterprises with quick working capital turnover and can easily ruin processing enterprises. Getting loans is not necessarily something good.	Draft MoUs/ cooperation agreements not available
	Identification and pre-selection of potential participants/ entrepreneurs	Publication and promotion of SME Loop offer	Publication of the SME Loop offer <ul style="list-style-type: none"> • Advertising and adequate channels such as newspaper, radio, business associations and chambers, cooperating/ implementing organizations, webpages, social media • Call for applications (on paper, or online) • Specifying the criteria for participation (derived from the target group definition). See also: Selection criteria, under: selection process	When first introducing the SME Loop, there is a need for more PR and advertisement than once the SME Loop is known and recognised. (Decreasing advertisement costs)	MSME Loop Advert, Malawi (2018) Entrepreneur Application Form, Nigeria (2018) Entrepreneur Application Form, Malawi (2018)
		Receiving applications and pre-selection	<ul style="list-style-type: none"> • Preselection based on target group definition and requirements • Conducted by SP/ PO in collaboration with project responsible. • Preselection of 50 if target group sized should be 25 participants. 		Pre-Selection Concept, Malawi (2018) Score Card for Business (MSME) Assessment, Sierra Leone

SME LOOP STAGES	PROCESSES	SUB PROCESSES/ CHARACTERISTICS	MINIMUM QUALITY STANDARDS	COMMENTS	SUPPORTING TOOLS AND DOCUMENTS
III. SME LOOP IMPLEMENTATION STEP BY STEP	Assessment and selection of entrepreneurs	Assessment of preselected entrepreneurs	<p>The assessment includes:</p> <ul style="list-style-type: none"> (Self) assessment of entrepreneur Assessment of business and its development needs Collection of baseline data on entrepreneur and enterprise Conducted by SP/ PO in collaboration with project responsible. 	The selection process is mostly based on PECs self-assessment and business assessments. Recently projects have included group coaching before the start of the Loop as a method supporting selection (e.g. Nigeria, Malawi). The Nigerian process includes group coaching.	Evaluation du Profil Entrepreneurial, Benin (2017) Outils d'évaluation des capacités entrepreneuriales, Benin (2017) Analyse des besoins en formation, Benin (2017) TNA form for existing entrepreneurs, Nigeria (2018) Selection of participants, Nigeria (2018) Critères de sélection de PME éligibles pour la phase pilote, Burkina Faso (2017) Business Profile Assessment Tool, Nigeria (2017) CTNA Questionnaire SME Development, Sierra Leone (2015)
		Selection of qualifying entrepreneurs	<p>Transparent selection criteria-based process including:</p> <ul style="list-style-type: none"> Visit to enterprises of preselected entrepreneurs to verify existence and information provided Above assessment techniques. 	Optional: group coaching as a selection mechanism, see: Selection of participants, Nigeria (2018).	Canevas rapport de sélection, Benin (2015) Final Selection Report, Nigeria (2018) Final Selection Assessment, Malawi (2018)
	Training		<ul style="list-style-type: none"> 2 trainings of at least 3 days each; 2 trainers per group; max 25 participants per group Trainers selected and approved by project (if possible: certified) 		SME Loop Standard Training Materials (2018) SME Loop Standard Trainee Manual (2018)
		Modules Training 1	Implemented in line with Standard Training Manual 2018	The Standard Training Materials can be adapted based on demand/ needs identified during assessment.	SME Loop Standard Training Materials (2018) SME Loop Standard Trainee Manual (2018)
		Modules Training 2	Implemented in line with Standard Training Manual 2018.		
	Coaching		<p>Individual coaching comprises:</p> <ul style="list-style-type: none"> A quality coaching methodology established based on the SME Loop Coaching Guide (2018) and GROW methodology At least 2 coaching phases, plus optional coaching after the graduation ceremony Coaching 1: 2 months, at least 2 coachings/ month Coaching 2: 3 months, at least 2 coachings/ month 1 coach works with not more than 25 entrepreneurs Coaches selected and approved by the project (if possible: certified) Quality coaching materials/ workbooks provided to entrepreneurs according to manuals (under supporting tools) 		SME Loop Coaching Guide (2018) SME Loop Standard Training Materials (2018) SME Loop Standard Trainee Manual (2018) ILO SIYB Workbooks Sample Coaching Scheduling, Malawi (2018)

SME LOOP STAGES	PROCESSES	SUB PROCESSES/ CHARACTERISTICS	MINIMUM QUALITY STANDARDS	COMMENTS	SUPPORTING TOOLS AND DOCUMENTS
III. SME LOOP IMPLEMENTATION STEP BY STEP		Coaching 1 & 2	<ul style="list-style-type: none"> Collection/ completion of baseline data on entrepreneur and enterprise Agreement on a contract for an Entrepreneur/ Enterprise Development Plan between entrepreneur and coach. 		Le Business Clinik, Benin (2018) M&E Concept, Malawi (2018) CTNA Questionnaire SME Development, Sierra Leone (2015) Le Business Clinik, Benin (2018) Plan de développement de l'Entreprise, Benin (2017) Guide d'élaboration du PDE, Benin (2017)
			<ul style="list-style-type: none"> Individual coaching schedules are prepared based on results of Training 1 and the developed objectives (contract between coach and entrepreneur) 		Sample Coaching Scheduling, Malawi (2018) Coaching Logbook, Nigeria (2017) Rapport de visite de l'entrepreneur, Benin (2017) Coaching Session Report, Benin (2017)
	Support for implementing agencies (IAs)		Provision of support based on capacity assessment (above: Capacity Development (CD)), with two objectives: <ul style="list-style-type: none"> Enabling implementation agencies to implement the Loop effectively and efficiently Working towards sustainability (see above: sustainability strategy). 		SME Loop Capacity Development Manual (2018)
	Involving financial institutions/ linking to business finance		Integration of at least 4 of the following processes into the SME Loop: <ul style="list-style-type: none"> Involving banks in presenting lending programmes during training Organising Business Plan (BP) presentation during coaching Access to finance module in Training 2 BP presentation during graduation ceremony B2B meetings between entrepreneurs and FIs during or after Graduation Ceremony Access to finance coaching and or training after Graduation Ceremony Pitching event with investors (venture capital) 	Access to finance is a common bottleneck of enterprise development programmes. Making it a 'crosscutting theme' of the Loop is a recipe for forgetting about it. It requires careful planning and integration into training, coaching and graduation ceremony. At the same time, not all participating entrepreneurs are looking for external funding. Demand orientation is crucial here.	SME Loop Standard Training Materials (2018)

SME LOOP STAGES	PROCESSES	SUB PROCESSES/ CHARACTERISTICS	MINIMUM QUALITY STANDARDS	COMMENTS	SUPPORTING TOOLS AND DOCUMENTS
IV. SME LOOP COMPLETION AND BEYOND	Graduation Ceremony		<ul style="list-style-type: none"> • Entrepreneurs who have attended all trainings and coachings and completed at least 75% of their Enterprise/ Entrepreneurial Development Plans get a certificate of successful completion of the SME Loop. • Duration: up to 1 day 	<p>Others who participated regularly might qualify for a certificate of participation.</p> <p>Participants: Entrepreneurs, GIZ staff, SP/ trainers/ coaches, Implementing and supporting organizations, Financial Service Providers, venture capital providers, Government Officials.</p> <p>Potential contents:</p> <ul style="list-style-type: none"> • Welcome/ keynote • (Selected) business development plan presentations • Bankers' evaluations of Business Plans • B2B/ pitching sessions planning of future networking <p>Handing over of certificates and vouchers for future coaching (optional)</p>	<p>None</p>
	Measuring	<p>Learning from supervision of trainers and coaches</p> <p>Learning from entrepreneurs' feedback</p> <p>Learning from process analysis and Loop results</p>	<ul style="list-style-type: none"> • Documentation of results, lessons learned, and self-evaluations and incorporation into the implementation of the next Loop cycle. Processed M&E results are available not later than 12 months after start of a SME Loop (= Training 1). 		<p>Impact Study SME Loop, Benin (2017)</p>
	Coaching 3 (optional)		<p>Identify needs and incentives for further coaching among participants</p>	<p>Optional SME Loop Phase, e.g. 3 coaching vouchers. Based on entrepreneurs' demand</p>	<p>None</p>
	Sharing learnings	<p>Documentation and discussion events</p>	<p>Documentation and sharing of SME Loop results and lessons learnt in the stakeholder community through discussion papers, publications and discussion events.</p>		<p>None</p>

REFERENCES

- 1) Barthelmes R., Arning R., Wanetschek A. et al. (2019): SME Business Training and Coaching Loop Handbook, published by GIZ GmbH, Bonn.
- 2) Vijayarajah, Verni (2018): SME Business Training and Coaching Loop Standard Training Materials, Bonn.
- 3) Vijayarajah, Verni (2018): SME Business Training and Coaching Loop Capacity Development Manual, Bonn.
- 4) Arning, Ralf, GIZ (2016): SME Business Training and Coaching Loop – Coaching Guide, Bonn.