

IMPACT ASSESMENT REPORT

Incubating Potential Programme (Ipp) by Seed,
Implemented In Korangi In Collaboration Karachi
Youth Initiative

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EXECUTIVE SUMMARY

Incubating Potential Programme has been conceived by SEED and was implemented in Korangi in collaboration with Karachi Youth Initiative. This was a four and a half month long enterprise development course designed primarily for Grass-root Entrepreneurs (GREs) – the focus was to impart principles of entrepreneurship, financial management, marketing leadership and personal development to the target audience.

An incubation centre was established in Bhattai Colony. The target audience composed of existing GREs, aspiring GREs, salaried individuals, and educated but unemployed people. The participants came from diverse cultural and religious backgrounds, but displayed healthy interaction and engagement during the course.

The purpose of the course was to break the victim mindset and bring a change of perspective among participants with respect to what they could do to improve their businesses and lives. After the course concluded, an impact assessment was carried out to ascertain how the concepts taught had helped to bring about an improvement in the state of their businesses and attitudes towards their lives.





INTRODUCTION

The Incubating Potential Programme by SEED was designed to develop business acumen of Grass Root Entrepreneurs (GREs) to help them see possibilities. These micro-level businesses are unable to scale up and expand primarily because they lack the relevant know-how necessary to improve and sustain their ventures.

IPP was implemented in Korangi and an incubation centre was established in Bhattai Colony. The target audience for IPP were existing and aspiring grass-root entrepreneurs, and unemployed people living in these areas. The programme commenced from 15th October, 2014 and ended in February 2015.

The objective of this report is to document the impact of this programme. Findings stated therein will highlight what IPP participants thought about the training methodology, the trainers and curriculum. Surveys conducted help conclude if GREs were able to apply what they learnt, to their lives and businesses. This report will also help identify areas in IPP for improvement and development, and assist in enhancing impact in future implementations.

BACKGROUND

Grass-Root Entrepreneurs form a very important part of Pakistan's economy. They provide services and products which cater to the masses, and without these products and services, business in our marketplaces would perhaps come to a halt. These GREs face several challenges on a daily basis, where sustainability and the survival of their ventures is perhaps the biggest problem.

Operating a business in Korangi can be quite a challenge for GREs. The area is infested by problems like street-crime, extortion by gangs, prejudice between different communities and the lack of basic utilities that are necessary for operating a business. These problems raise the cost of doing business in the area and create unfavourable conditions for GREs to operate.

In order to prevent GREs from getting demotivated by the conditions in Korangi, we at SEED realised that the one thing that can be changed gradually is the perception the local population has about their situation. Considering SEED's forte is enterprise development, IPP was developed to build business acumen and enterprising skills of the people in Koran-

gi. The primary target audience were the unemployed youth, existing and aspiring entrepreneurs. IPP's main agenda was to help them see possibilities by teaching them the basics of; business, financial discipline, leadership and self-management. The development and execution of IPP was assisted by Karachi Youth Initiative (KYI). Funding acquired was utilised to conduct initial research, develop curriculum, set-up an incubation centre and carry out trainings.

2.1 Objectives of IPP

IPP in Korangi was a two-and-a-half months training programme. Training sessions were conducted at the incubation centre located in Bhattai Colony in Korangi. Incubatees or participants were both aspiring and existing entrepreneurs from the area, also including salaried members of the community. Sessions lasted for two hours each and were attended by 25 participants in one batch. This means that a total of 50 participants attended the course. The immediate objectives of this programme are:

- Bring about a shift in perspective - from victim to victor, and educate

programme participants on how they can become change agents and bring about social innovation.

- Benefit 50 direct beneficiaries through this programme – there are two batches and each batch consists of 25 participants.
- Develop business acumen of participants and create awareness among them regarding basic business terminology, methods and procedures.
- Bring about entrepreneurial development in the area, and help participants understand what it means to be an entrepreneur, and how this discipline helps to empower communities.
- Specifically for this project, help participants understand that there is always an alternate to solving challenges in life other than use of violence, fear or force.
- Motivate and inspire participants to a) setup their own businesses, b) scale up existing businesses or c) even if they have no desire to start their own business, provide them with direction to do something meaningful with their lives that so they may add value to society.

PURPOSE OF IMPACT ASSESSMENT

The purpose of this impact assessment report is to ascertain the extent to which:

- IPP training has helped programme participants make more informed financial decisions with respect to their enterprises and as a result given them better control of their livelihoods.
- Training has created awareness about entrepreneurship as an alternative source of income in comparison to working for someone else.
- There has been a shift in perspective among programme participants about their current situation, the overall conditions in Korangi, and how they can tackle the situations and find suitable solutions to their existing problems.
- Programme participants have employed learning in their businesses and lives and have noticed a marked improvement in the state of things.

CHALLENGES FACED PRE-IPP EXECUTION

Implementing IPP in Korangi was a challenge considering that it is one of Karachi's volatile localities. However, since IPP above everything else brought a message of hope to the target audience, it created a stir and piqued their interest. As the programme progressed the GREs realised that IPP is not just about discovering one's entrepreneurial potential, it also seeks to take its participants on a journey of self discovery.

Contrary to popular belief that when people are trying hard just to survive, self-discovery is perhaps the last thing on their mind – this paradigm was broken by our target audience. They showed eagerness in learning about this very concept. Initial awareness sessions were successful, as the audience showed receptivity to the idea, and it was humbling to see the number of GREs who wanted to register for the course.

Training sessions were conducted seamlessly in Bhattai Colony however it is important to mention here the challenges the team faced as they proceeded on this journey.

Setting up Incubation Centres

It was important that incubation centres were established in places which were not very far from the locations where GREs operated. They considered it as a cost of leaving their business premises for two hours to attend a training programme, since most of them had nobody to run the enterprises during their absence. The objective was to provide an environment which encouraged interaction and engagement, and stable class-room like conditions which were conducive to learning.

Chakra Goth was initially selected as the location for establishing an incubation centre, however the premises available in the area were not large enough to hold a session for more than 20 participants. After scanning and searching the periphery and adjoining areas, a school building in Bhattai Colony seemed most feasible for the purpose, there it was decided that the incubation center will be established in Bhattai Colony.

Bhittai Colony is also known as Korangi Crossing and connects to Saddar Bazaar, Korangi, PAF Base Creek and Landhi. The localities in close proximity are Chakra Goth, Ibrahim Hyderi, Altaf Town and Allahwala Town. Although Bhittai Colony in itself is basically a residential area for labourers, there is strong local market that exists around the area.

Within Bhittai Colony, we identified a private (not-for-profit) school, that operates in the area for the local communities. After potential agreement, we renovated the school premises for the current students and potential participants for the IPP programme; this enabled the school to benefit as well and helped in attracting more students. This particular location was large enough to hold sessions for IPP participants comfortably, also it was closer to the area we were targeting, and most of the GREs were functioning around the area, therefore there was no issue of accessibility.

Dealing with the trust deficit:

People from the GREs community were very doubtful of our organisational objectives and the purpose of this programme. All sessions, including all training material is provided free-of-cost to programme participants and this in itself seemed rather odd to them. They questioned our intentions, our objectives and were certain that we had some hidden agenda, considering their prior experience with other NGOs and organisations operating in these areas who only had short-term solutions to the socio-economic challenges.

We were able to deal with the trust deficit by ensuring that our master and assistant trainers interacted and engaged consistently with the target audience.

Dealing with hopelessness:

A mind trapped with pessimism and hopelessness is incapable of learning. It will always entice individuals to view themselves as victims, and with such a mindset it becomes extremely hard to absorb anything new. To help them look at their unfavourable circumstances in a different way, and to encourage them to at least try and change things for themselves and their families required constant reinforcement of the idea that they were extremely skilled and knowledgeable with respect to their businesses.

Despite the situation in their areas, the idea was to turn their focus towards things they could do, instead of complaining about uncontrollable circumstances. Changing their attitude we realised was not going to be an easy task and may take a very long time. Having said that, IPP is the first step in this direction and we hope to help these people recognise their entrepreneurial spirit.

Risk factor:

Initially there was slight scepticism about conducting this programme based on security and safety issues in this area. However, our collective vision of mobilising and developing the GRE community in Pakistan helped to dissipate the reluctance. The IPP on-ground team focused on the bigger picture; developing the capacity of GREs and changing their mindsets so that they were able to contribute positively and productively to their communities.

Changing demeanours:

In order to understand the challenges and opportunities which existed in the area, all assistant trainers and incubation centre staff was hired from the local community. They were well versed with the local vernacular, and helped to ease interaction with members of the community. Our Master Trainers slowly learnt about the local values, traditions and jargon used in these areas. This helped them approach the local public and educate them about the necessity of IPP. In addition, a lot of preconceived notions were done away with. In general, GREs displayed keenness in learning something which had the potential of making their businesses and lives better.



PURPOSE OF IMPACT ASSESSMENT

The methodology used to record impact of the programme is as follows:

1. Recording revenues of existing GREs with operational business for comparison to increase in revenues post IPP implementation
2. Interviewing programme participants via questionnaires to record responses regarding training, curriculum, whether learning objectives and expectation were fulfilled, and if there was any improvement in their businesses and thought processes.

Total numbers of IPP participants who registered for the course and completed were 50.

A breakdown of these participants is as under:-

Out of 50 participants

35% - existing GREs

65% - aspiring GREs (out of this 55% were salaried and 10% were unemployed)

The 35% of GREs belonged to different occupations i.e. small-general store owners, chicken and meat vendors, rickshaw owners, tailors, embroiders, and self-employed service providers like electricians, plumbers and mechanics. The 65% aspiring GREs who were attending the course were initially attending it to learn concepts, by the end of the course they were confident that they had the ability to start their own enterprises. The salaried portion of this audience was very enthusiastic to start their own businesses.

The revenues (across all occupations) for GREs earned per month fell into the average range of PKR. 15,000 to PKR 50,000.

Core problems with most GREs identified as per initial needs assessment were:

- 1) An absolute absence of basic financial management skills.
- 2) A lack of core problem solving skills
- 3) Lack of confidence that they can scale up their businesses
- 4) Lack of marketing practices
 - a. Presentation of self and enterprise was of least priority
 - b. Business location not give much thought, but this was also partially attributed to the conditions in the area

The remaining participants (aspiring entrepreneurs, and salaried) were mostly interested in learning new concepts, primarily methods for improving their lives or starting a new business

The direct beneficiaries of this programme were

- Team members hired for running and maintaining the incubation centre, only 1 person from the local area was hired. The remaining team i.e. 4 people were from the previous project in Lyari. A total of 5 people constituted the on-ground execution team for Korangi.
- 50 Participants who attended the entire IPP programme.
Indirect beneficiaries of this project were all the people who attended our guest speaker sessions at the incubation centre.

THE IMPACT – IN ATTITUDE

The impact of IPP has been at four noticeable levels:-

1. Participant personal development
2. Community engagement
3. Development of Financial know-how
4. Development of Marketing knowledge

The practical application of the concepts learnt through this course were manifested at three levels; in the form of different ethnic communities engaging with each other in class, personal development of participants and an improvement in their business acumen.

Participant personal development:-

At the onset of the course, an initial evaluation revealed that participants were lacking in a number of personal qualities which are prerequisites not only for business development but also imperative for healthy social interactions. GREs recorded low scores in three areas:-

1. Self-confidence
2. Time management
3. Personal grooming

Most of them were unable to state their point of view to an audience, primarily due to a lack of self-confidence. This can be attributed to a poor primary education that they received; in addition most of them came from underserved communities and witnessed family conflict on regular basis. Most of them during their conversations with the trainers revealed that they came from homes where they were not given adequate attention or did not receive acknowledgement of their talent and abilities.

Punctuality was not a top-priority because they did not understand the importance of using time effectively and efficiently. Personal presentation was very informal and they did not take their personal appearance very seriously. The salaried class were slightly more groomed because they were part of the corporate environment and understood the importance of personal presentation. They were active in maintaining class decorum, unlike the GREs who were not very conscious about their personal appearance or the way they communicated in class. Personal hygiene was also not an important priority for the participants, and a majority of them came dressed rather poorly to class. They justified their lack of interest to personal grooming with a lack of basic resources; clearly most of them were still playing the victim card.

Training helped to bring about marked improvement in these three areas, as activities entailed the following:

1. Presentations to be given by all participants at the end of every module about what they have learnt from the module. This was done at a group and individual level, and displayed teamwork and self confidence among participants.
2. Participants were also supposed to share their business and personal missions and visions with the class. Focus of most activities was to sharpen and hone presentation skills among participants. Through consistent guidance they were able to eventually clearly and succinctly deliver their point of views in class. A majority of participants, who had initially displayed low levels of confidence, began to eagerly contribute and participate in sessions towards the end of the training programme.
3. Time management which was initially a severe issue with most also began to improve primarily after the participants were acquainted with the Priority matrix. The art of prioritization was taught to them, and those of them who earlier had felt that attending this course was not more than an impediment to their daily business activities, recognised the importance of gaining awareness and knowledge about concepts which could help improve their lives. As a result, the late comers began to come to class on time and ensured that they sat through the entire session.
4. Trainers made it a point to stress on personal grooming and hygiene at the end of every session. Eventually participants understood that a good personal brand cannot be created unless one is conscious about personal grooming. They were also explained how the demeanour and personal presentation of a business owner impacts the perception customers have of their enterprises. Once Trainers were able to display how personal effort translates into a stronger financial numbers for business, it became evident to most GREs that personal grooming was an area that they must pay attention to. As a result, most of them began to ensure that they were well-dressed or at least looked clean and collected before they came to class.

Community Engagement:-

The town has a multi-ethnic population which constitutes of Sindhis, Urdu Speaking Muhjirs, Baloch and Pashtuns. There is also a large population of Beharis, Burmese and Bengalis living in the area. IPP participants belonged to a different mix of ethnicities. Initially, Master and Assistant trainers were doubtful if any kind of engagement would be possible in class considering a strong prejudice between ethnicities is present in the areas and is one of the most common reasons violence was prevalent. However, as sessions progressed , and an awareness was created with regards to the power of entrepreneurship, teamwork and working in synergy with others, the impact created was evident in the following forms:-

- Developing a certain level of tolerance for each other's points of view regarding business operations and life management.
- Exchanging good business practices among each other
- Initiating conversations and healthy arguments to discuss different perspectives
- Developing an indifference to ethnic and religious background and interacting with each other
- Team-building and bonding as a certain level of trust was established among them because of attending the course together.

Improvement in Financial Knowledge:-

Participant evaluation revealed that most of them were completely unaware of the basic concepts of financial discipline which were important for effective financial management of business. Existing GREs who were earning substantial revenue were unable to achieve financial stability or reinvest for growth in their businesses as they seemed absolutely oblivious to the concept of saving and budgeting.

The module on Financial Management created awareness about simple book-keeping techniques which would help existing and aspiring GREs keep a track of their financial resources. Understand the importance of cash and working capital, also helped most of the GREs understand how they can curb unnecessary expenses to improve their savings and effectively manage their financial resources. The session on banking was well-received by audience, and a lot of with respect to opening a bank account were answered by guest speakers invited to deliver this session.

Improvement in Marketing Knowledge:-

The Marketing module introduced the concepts of effective promotion and presentation; in addition GREs gained an understanding of why relationship marketing was the most effective form of promoting their business and connecting with their customers.

A change was witnessed in the behaviour of existing GREs. They began to financially discipline themselves and began with keeping day-books which were meant to keep a track of their daily inflow and out flow of cash. Programme participants sought the guidance from Master and Assistant Trainers, to help them devise ways by which they could save money from their earnings for future reinvestments in their businesses.

The greatest impact that we witness here was the shift over all among participants from a state of ignorance and hopelessness to enlightenment and optimism. In addition, our group of participants also developed a strong desire to impart the things they had learnt with their friends and family carrying forward a message of focusing on unlocking internal potential and unveiling possibilities.

Response to Curriculum and Training:-

The curriculum was well received by the class. According to them trainers were able to communicate course concepts clearly, and were also able to effectively engage the audience in the process. Training methodology used focused on three things, encouraging class participation, connecting with the target audience and helping them interact with each other thus creating avenues of knowledge exchange.

Topics which ignited interest among the participants were:

- Marketing techniques – primarily because a majority of existing GREs had never considered that proper promotion, and a little effort put into revamping the presentation of their points of business could have a substantial effect on sales.
- Financial Management – The GRE population we were working with in Korangi had little or no knowledge about basic financial management. They did not know how to separate personal expenses from their business accounts. They had no idea on how to create a daily account of the inflow and outflow of cash, which as a consequence affected their savings.
- Planning – Considering there was a lack of direction in businesses, the topic of planning was of special interest to the target audience. They were very eager to learn about developing a mission and vision statement, chalk out strategies and create an action plan of expanding and managing their businesses.
- Market Research – When this topic was introduced, the response from the GREs was overwhelming. They realised the importance of understanding their market and the psyche of their consumers in order to sell effectively. In addition, they also understood that it is important to know industry practices and how competitors are operating.
- Stress and Anger Management – Considering that general conditions in Lyari are volatile and can get extremely violent this directly contributes to the levels of stress in the personal and professional lives of the GREs living in the area. Based on these circumstances, it was imperative that participants were educated about stress management and conflict resolution techniques which would help them handle challenges effectively in their daily lives. Teaching them about Stress and anger management also helped them understand that there is it not the problem, but the way you react to it which ascertains how quickly you reach a solution.
- Time Management – As stated earlier, this topic really helped the participants prioritise what was important in their lives, instead of always living in the important and urgent box.

The topics which the participants felt needed to be stressed upon repeatedly for better recall were:-

- Leadership
- Negotiation Skills
- Conflict Resolution
- Self Motivation
- Importance of Hygiene

They felt that concepts related to these topics should be reinforced considering the environment they live in. A number of participants reported that as a result of the constant stress they had to face in Korangi on a daily basis, it was important that they understood how to resolve conflicts effectively. Most of them wanted to know how to solve a situation through a win-win solution.



SUCCESS STORIES

GRE: Raja

Occupation: Rikshaw owner

Raja is a rikshaw owner, and was scared to expand his business even though he had an opportunity. He lacked the ability to take calculated risk primarily because he could not trust other people and did not know how to delegate. After taking the course he learnt about delegating, and how he could expand his business. He also learnt about financial management and now has saved money to get a bigger CNG cylinder for his rickshaw which will help him generate more revenue and take passengers to further locations which he was unable to manage earlier. He has also printed his business cards and installed a small fan and tissue box in his rickshaw as value addition, because he now understands the value of good business presentation, and how it impacts consumer behaviour.

GRE: Gulzar

Occupation: Tailor

Gulzar is a tailor by profession who used to take orders for stitching clothes and worked from home. He had a very traditional working methodology and his customers were extremely limited, and were from his locality. Compared to other participants, Gulzar was a slow but determined learner who always tried to work harder; he often used to sit after classes for having discussions with the Master trainer for his future endeavours.

He lacked interpersonal and communication skills and was unable to pitch his idea. This hindered him from operating effectively. However, his persistence was rewarded. He not only worked on his communication skills, but also decided to work hard to grow his network of customers.

Recently, he has been in communication with a client in Dubai regarding his work and skill. There is a growing demand for eastern wear in Dubai, and considering Gulzar has the required skill, makes him a prospective supplier for the client in Dubai. The topics covered in this course helped him deal with the gap he was encountering. Luckily the vendor at Dubai liked his work and called him over there to work and operate stitching business in partnership.

The course played a vital role in establishing personal development, confidence and communication skills that helped him cross the river at the right time.

GRE: Shahbaz

Occupation: Chicken Meat Shop

Shahbaz is running a chicken meat shop since the last 10 years. According to him, there was a lot to he needed to learn in order to run his business seamlessly. When he started his business, he was just a child, and learnt everything about his trade from his father. However, he never had the chance to learn more or to educate himself about the basic of running a business. As a result, sales were stagnant and he began to lose business to a competitor.

He was quite worried about the level of sales; however after taking IPP, he was able to adopt marketing techniques primarily the basics of the four Ps which helped him develop a stronger sales strategy. He improved hygiene practices at his outlet, made his shop look more presentable and talked more courteously to his customers. He began to understand he was not just in the business of selling meat, but this was also about building relationships with his customers and understand what they really wanted. He mentions that this change in persona and attitude has attracted more customers to his outlet. He now keeps a keen focus on the small do's and don'ts of business to improve his operations and himself.

CONCLUSION

All concepts taught to GREs during the course of this training were meant to increase their business acumen. But the course did not just focus on teaching these people; it was also centred on connecting with the target audience and understanding their challenges. After developing a clear understanding of what life is like for GREs in Korangi, we were able to furnish relevant solutions and were also able to motivate them to use their own potential to create innovative and positive ways of dealing with their problems.

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