

Business Incubation Performance Monitoring Tool (as part of VBI) *Draft 1*

Introduction

This document outlines criteria that will be used to monitor the performance of registrants of the Virtual Business Incubator (VBI). This information will be captured automatically by the VBI.

The information is described in terms of Business Incubator "Indicators", the reason(s) for their inclusion, and where proof of compliance can be found. The consolidation of this information via a user-friendly "BI- Dashboard" is discussed.

Client feedback (from BDSPs and MSMEs) by means of a rating system, as well as the frequency of collection is outlined in the second part of the document.

The collection and monitoring of this data will allow BEDCO, as the Facilitator of Business Incubation in Lesotho, to monitor the performance of the various service providers (BIs and BDSPs) real-time, and intervene as and where necessary.

Business Incubator Indicators

The table below indicates the criteria of each Incubator that will be measured continuously, as well as the rationale for each indicator. This information will be accessible to both the respective BI, as well as BEDCO. (Note that individual incubator data will NOT be accessible to other incubators.)

Statistical data will be collected automatically by the VBI platform and reflected in standard reports that can be generated by the platform for any specified period. The criteria and the rationale for measuring each indicator are provided in the table below.

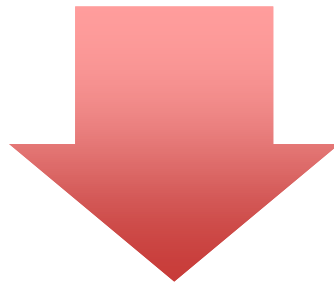
Table 1: VBI Business Incubator Indicators

Indicator	Rationale for Monitoring	What gets Measured, and Evidence
Number of MSME applications	Has the BI set stretched targets, assuming that not all applicants will be accepted into the BI	Targeted number of MSME applications as per Annual BI Business Plan
Number of MSMEs supported	How effective is the BI in attracting and contracting with suitable MSMEs; and especially women and youth	Targeted number of MSMEs, of which women, and youth, as per Annual Business Plan Supporting documentation (any of): - Contract with MSME; Certificate of Incorporation; MoA; Tax clearance certificate; Bank details or Business registration documents.
Number of planned MSME milestones	At an MSME level - whether milestones been set; and does this number change with time, indicating achievement of milestones and hence progress	Number of milestones from Business Growth Plan (BGP)
Number of MSME milestones achieved	How effective has the BI been in helping MSMEs achieve their milestones	Number of milestones reflecting as "finalized" on the VBI
Number of new jobs created by MSME	As MSMEs grow they need to employ additional people which is an indicator of growth	Number of new staff members of MSMEs. Only jobs that have the ability to be sustainable can be included - does not include casual positions of less than six months duration. Supporting documentation - payslip; letter of employment or contract
Number of casual / seasonal jobs created	Growth in this number year on year will reflect company growth	The number of casual or seasonal jobs (jobs less than six months in duration). Supporting documentation - payslip; letter of employment or contract
Number of new MSME clients	To ensure sustainability, the MSME must spread its risk of dependence on any single client by having a portfolio of clients.	Number of clients from "Client List" / invoices
Growth in annual revenue of MSMEs from start in BI	Are the MSMEs growing their revenues, which would be an indication that they are growing	Annual revenue of MSME at start, and at end of the current financial year (from Financial Statements/bank account).

Average period spent by MSMEs in first phase of incubation (i.e. pre-sustainability)	Time spent during the formative phase (developing revenue streams to achieve sustainability) should be carefully monitored in order to prevent the formation of an eventual dependency-relationship	Number of months from date of Acceptance into the BI to date of Graduation should be in keeping with industry norms.
Number of MSMEs graduated	Following the initial phase of setting up an incubator, annual graduations of MSMEs from the BI indicates an "effective production line" where the achievement of MSME milestones leads to their sustainability, and graduation.	Number of actual versus number projected in the Annual Business Plan. Reflecting as "Graduated" on the VBI platform
Projected revenue of the Incubator	Has the BI set realistic projection of revenue streams	Annual BI Business Plan
Actual revenue of the Incubator	Is the BI on target and running as a sustainable business (it must lead by example)	Total fees, rentals, levies and royalties received by the BI
Amount of funding raised by BI for MSMEs	How effective is the BI in facilitating linkages and helping MSMEs secure available funding	Amount of funds raised by the BI on behalf of MSME's (actual funds need to be committed / paid). This can include the value of in-kind services, eg. Machinery, equipment and human resources that were raised by the BI on behalf of the MSME. Supporting documentation – E-mails or letter from source confirming contributions.
Feedback on BI and BDSP services	A rating of below 3 would indicate the delivery of sub-standard services, and requiring intervention.	Average star rating per BI and per BDSP as evidenced real-time by the VBI

A dashboard reflecting aggregated numbers of each indicator, per incubator, will be accessible to the BEDCO Administrator. This will provide real-time information to BEDCO such that slippage on targets, and non-performance will be flagged timely, enabling remedial intervention where necessary.

BEDCO DASHBOARD (for each BI)



Slippage in actual versus target:

- number of MSME applications
- number of MSMEs in incubation (including #women-owned; #youth-owned)
- percentage of MSME milestones achieved
- percentage growth in MSMEs revenues from start
- number of MSMEs graduated
- number of new jobs created by MSMEs
- percentage actual revenue of incubator
- aggregated MSME rating of incubation services (1 -2 rating)
- aggregated MSME rating of BDSP support (1 - 2 rating)

Client Feedback (BDSPs and MSMEs)

After each meeting BDSPs and MSMEs will rate their interaction.

BDSP feedback on the MSMEs they are coaching will be visible to both the respective MSME, as well as the contracting Incubator.

Feedback from BDSPs will be via a rating system (depicted as stars) where 0 star indicates "NO" and 5 stars indicates "DEFINITELY", and 1 - 4 stars reflecting the scale between.

Business Development Service Provider rating of MSME	
Was this a useful engagement	0 - NO; 5 = DEFINITELY
Did the entrepreneur apply your recommendations	0 - NO; 5 = DEFINITELY
Did the MSME attend to the task / required inputs timely	0 - NO; 5 = DEFINITELY
Was the MSME committed to growing his/her business	0 - NO; 5 = DEFINITELY
Additional comments	

BDSP feedback on the contracting Business Incubator will be on completion of the assignment allocated by the BI to the BDSP, and will be visible to all registrants on the VBI platform. 5 stars will indicate Excellent, and 1 star will indicate Poor, with a sliding scale representing grades between.

Business Development Service Provider rating of Business Incubator	
Shared services/equipment and office space offered by the Incubator	1 - Poor; 5 = Excellent
Relevant Training / Workshops offered by the Incubator	1 - Poor; 5 = Excellent
Networking opportunities created by the Incubator	1 - Poor; 5 = Excellent
Incubator's responsiveness to requests by BDSP / MSME	1 - Poor; 5 = Excellent
Relevant and updated information in Knowledge Bank	1 - Poor; 5 = Excellent
Professionalism of Incubator's infrastructure and office space	1 - Poor; 5 = Excellent
Professionalism of Incubator's staff	1 - Poor; 5 = Excellent
Additional comments	

Feedback from MSMEs will be visible to all VBI registrants, irrespective of whether they are part of an Incubation Programme.

After every interaction (mentoring/coaching session, training, etc.) MSMEs will be required to provide feedback on the BDSP. This will be via a star rating system where NO is represented by 0 stars and YES is indicated by 5 stars with a range of 2 - 4 stars indicating service level satisfaction on a scale between.

MSME's rating of BDSP, Mentor or Coach	
Was the problem solved	No = 0 Stars; Yes (5 Stars)
Was the problem solved timely	No = 0 Stars; Yes (5 Stars)
Was the advice that was received "value for money"	No = 0 Stars; Yes (5 Stars)
Would you recommend this BDSP, mentor or coach	No = 0 Stars; Yes (5 Stars)
Additional Comments	

Annually, or on an ad-hoc basis as required, MSMEs will also rate the Business Incubator in whose programme they are participating. 5 stars will indicate Excellent, and 1 star will indicate Poor, with a sliding scale representing grades between.

MSME's rating of Business Incubator	
Shared services/equipment and office space offered by the Incubator	1 - Poor; 5 = Excellent
Relevant Training / Workshops offered by the Incubator	1 - Poor; 5 = Excellent
Networking opportunities created by the Incubator	1 - Poor; 5 = Excellent
Incubator's responsiveness to requests by BDSP / MSME	1 - Poor; 5 = Excellent
Relevant and updated information in Knowledge Bank	1 - Poor; 5 = Excellent
Professionalism of Incubator's infrastructure and office space	1 - Poor; 5 = Excellent
Professionalism of Incubator's staff	1 - Poor; 5 = Excellent
Additional comments	