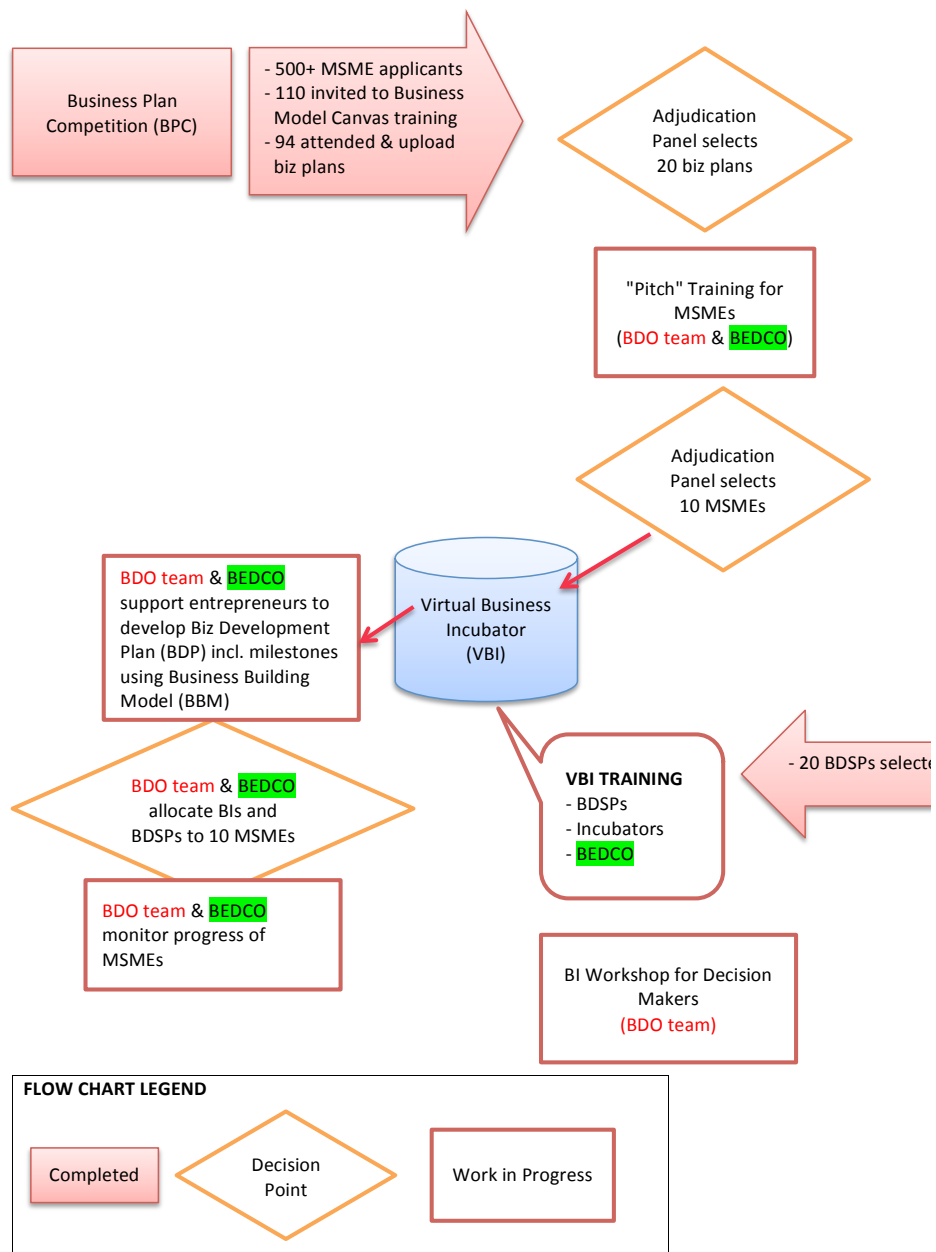


## 4. BI PREPARATION

### 4.1. The Virtual Business Incubator (VBI) Model

The Virtual Business Incubator (VBI) is where the three work streams of the Promoting Development Programme (PED) converge in providing support to Basotho entrepreneurs. reflected in Diagram 1 below.

*Diagram 1: Overview of Activities of the Promoting Enterprise Development Program*



The Virtual Business Incubator (VBI) will be an easy-to-use web based platform from administer and report on the activities taking place in the Incubator environment. The both a repository and a process management platform for actors and activities that are around Incubation. The VBI is therefore a conduit whereby an idea or concept genera

MSME (Client) is nurtured by the best resources available, towards the achievement of set goals and success. (See Annexure 1: Functionality of the VBI.)

The VBI will have a RESOURCES section that will be accessible to all on the platform. The RESOURCES section will contain, inter alia, the following:

- List of BDSPs, their contact details (including fields of expertise) and services offered
- List of Incubators, contact details and entry criteria
- List of Funding Institutions, their offerings and application processes
- Venue booking system (e.g. BI meeting rooms)
- Equipment hire (e.g. lathe machines; proxima)
- Training and Events Schedule where MSMEs can register to attend
- KNOWLEDGE BANK comprising sector trends, relevant MSME training material, business templates (e.g. cash flow spread sheets), BDSP standard contract, etc.

### Development and Testing of the VBI Platform

The VBI platform will be developed for hosting and running on the BEDCO servers. The analysis that was performed by the BDO IT Consultant highlighted certain gaps needing to be addressed for the VBI platform to work effectively. These included:

- a high probability of a need for additional servers (the current estimate is that seven servers will be required)
- the external internet flow is only 3Mbps and will need upgrading to meet the demand for a "real time" user experience
- a dedicated IT resource (person) to assist with formulation, system planning, system design, system testing, system deployment, and support at BEDCO

Once developed, the VBI system will be tested by the PED team - with a particular view on the user-interface and ensuring a good user experience. (The capacity of the system can only be truly tested once live and accessed by the multiple VBI users.) This training will take place at the BEDCO offices in Maseru. Feedback will be captured and the VBI system adapted accordingly. Thereafter a second round of testing will be initiated by the BDO-IT Consultant, and further rounds of testing as required.

### Development of VBI Operational Manual

The BDO-IT Consultant will develop a VBI Technical and Operational Manual as a reference document for the BEDCO IT resource, VBI Administrator, Pilot Incubator Manager; BIs joining the VBI; and BDSPs selected as part of the BPC process. The Draft Manual will be approved by the said BEDCO staff, prior to finalization.

### Training of BIs/ BDSPs and BEDCO on VBI Platform

The BDO-IT Consultant will prepare material for the delivery of a Training workshop. This will include an overview of the entry points and routing through the VBI platform for each respective player, as well as "how to" operate on the platform.

A training workshop will be delivered by the BDO-IT Consultant, in Maseru to BEDCO staff, BIs who have indicated their interest in joining the VBI, and BDSPs selected as part of the BPC process with a view to fully equip the VBI partners to operate effectively on the platform.

### Development of VBI Platform Management System

A Platform Management System integrating into the VBI will be developed such that BEDCO, as the VBI host and national Incubation Facilitator, can monitor the performance of all the registrants on the platform, including aggregated information on the clients (MSMEs) of the respective BIs. (For confidentiality reasons BEDCO won't be able to access the information of individual MSMEs - only of those who have joined its own BEDCO Pilot Incubation programme.)

Via a "dashboard", the BEDCO Administrator will be alerted to slippage on the targets of the respective incubators, such that BEDCO can make a timely support intervention to assist the relevant BI where necessary. The collective data will provide BEDCO with a real-time indication of the state of BI within Lesotho. (See Annexure 5: BEDCO VBI administrator routing on VBI.)

### Appointment of BEDCO VBI Administrators

In its leadership role as a Facilitator of Incubation activities in Lesotho, BEDCO will allocate two staff members as VBI Administrators: a VBI Manager who will be dedicated to oversee, manage and report on the activities of the VBI, and a junior manager (understudy) who will work alongside the manager so developing and building "institutional memory". These individuals will play a coordinating role between the various platform players as required, as well as monitor and evaluate the performance of the registrants on the system. They will ensure that the necessary decisions are taken by BEDCO (see Annexures 2 - 5) and that the resulting action is implemented.

These individuals will be responsible for maintaining the integrity of the information on the VBI system, and removing poorly performing players. Real time they can monitor the performance of the listed BIs noting any slippage on the below, via a BI Dashboard:

- Number of MSMEs in programme
- Aggregated MSME rating of incubator
- Aggregated BDSP rating of incubator
- Slippage warning in any of the below categories where the actual differs from the target:
  - number of MSME applications
  - number of MSMEs incubated
  - number of MSMEs graduated
  - number of additional jobs
  - aggregated revenues from MSMEs
- MSME feedback on Incubation services (1 - 2 rating)
- MSME feedback on BDSP support (1 - 2 rating)

In this way red flags will be raised by the BI Dashboard, enabling the BEDCO Administrators to investigate further and take remedial action where necessary.

Should no red flags be raised, the Administrators can on an ad hoc as well as an annual basis, review the performance of each listed Incubator against the criteria.

### Testing of VBI Platform Management System, and Implementation

Testing of the VBI Platform Management System will be organized by the BDO-IT Consultant. A training workshop for BEDCO staff (IT Manager and VBI Administrator) will be held in Maseru. This workshop will equip staff to be fully conversant with the system, including its monitoring and reporting function.

Feedback from the workshop participants will be incorporated into a second version of the system. The BDO-IT Consultant will organize for a second round of testing to take place virtually. BEDCO participants will be required to "sign off" on the system once they are comfortable they can implement the same.

### Launch of VBI Platform

When the platform is launched, BIs and BDSPs will be invited to register. For BDSPs this will entail filling in their company details; highlighting their areas of expertise and services offered; including referral quotations from satisfied clients, and accepting the conditions of registration which will include a Declaration of Confidentiality (Annexure 6) and Terms and Conditions for Participation on the VBI (Annexure 7).

They will be required to provide feedback on their engagement with their MSMEs, which will be by means of a 5-star rating system (5 = excellent; 1 = poor) and allowing for a qualitative elaboration of the rating (similar to that implemented by TripAdvisor). The evaluation criteria will be:

- Was this a useful engagement?
- Did the entrepreneur apply your recommendations?
- Was the entrepreneur committed to growing her/his business?
- Additional comments.....

The VBI platform will also allow the BDSP to schedule sessions with their MSME; upload material specific to the MSME; receive payments via a payment module; and view MSME feedback on their services.

Incubators wishing to register will provide their contact details; entry criteria; services offered; potential envisaged impact they will have on the economy from assisting MSMEs; and the sustainability model of their incubator. They will be required to accept the conditions of registration which will include a Declaration of Confidentiality (Annexure 6) and Terms and Conditions for Participation on the VBI (Annexure 7).

At the conclusion of the pilot phase BEDCO will invite a suitable BI Manager / BDSP to take over the ownership and management of the BEDCO BI pilot. BEDCO will henceforth focus on growing the number of players on the platform, namely BIs and BDSPs, as per need and demand, so increasing the capacity and reach of support to MSMEs.

MSMEs too, will be registered on the platform and required to provide feedback (see section "MSMEs provide feedback on BIs and BDSPs in section 5 below).

## 4.2. Stand-alone (non-VBI) Business Incubation Activities

### Initial Training for Business Incubation Managers and BEDCO

A training workshop series will be held for Business Incubation Managers and BEDCO staff. This will be an introduction to business incubation and content covered included: Characteristics of Enterprise Development and Business Incubation - Incubator definitions and principles; Incubator models and incubator business models; planning and establishing an incubation programme; Incubator management; Financing for incubators and clients & investment readiness; Mentoring and coaching; Monitoring and evaluation; Virtual Incubator platform demo; Marketing for business incubation.

### Development of "How to" Manual for Business Incubation Managers

A "How to" Manual for Business Incubation Managers will be developed for BEDCO. This will include, inter alia, policies, procedures and relevant templates for the selection and support of clients, matching of clients with coaches / mentors, monitoring progress of clients, and reporting on BI outputs. This Manual will be applicable for BI Managers running either a virtual, or a residential Incubator.

### Second Business Incubation Management Training Workshop Series

A second series of Business Incubation Management training workshops will be held, expanding on the content covered during the earlier training workshops. This second series will also refer to material in the "How To" Manual which will be used as a workshop hand-out allowing participants to familiarise themselves with the content.

Workshop participants will include relevant BEDCO staff members (BI Manager and VBI Administrator), other BI Managers in Lesotho, as well as those with an interest in starting a BI.

Participants attending the training will be equipped to:

- understand the differences between Enterprise Development and Business Incubation and why BI has greater impact
- plan and establish a BI programme
- manage a BI, including developing a model for sustainability
- find and match mentors and coaches with their clients
- monitor and evaluate the BI programme by watching and reporting on key performance indicators

### Business Incubator Site Visits for BEDCO BI Manager and VBI Administrators

Subject to travel and movement restrictions imposed by the COVID-19 virus being lifted, site visits will be arranged for BEDCO staff who have attended the BI training and been part of the "learning by doing" process. Relevant BIs in South Africa (possibly a manufacturing incubator, and an agri-business incubator) will be approached to host the small delegation. This will afford BEDCO staff an opportunity to engage with seasoned incubator managers running successful BIs, and to learn from their hands-on experience.

### Identify Influential Decision Makers

Although beyond the scope of this project, providing incubation support to the ten district centres will depend on buy-in and support from the relevant stakeholders, giving effect to a national roll-out.

Possible "BI champions" will be identified from government, the academe and the private sector and invited to participate in a workshop that will expose them to the benefits of BI as an economic enabler.

### Decision Makers Business Incubation Workshop

A half-day workshop will be arranged for these executives and decision makers. A strong case will be made for supporting BI in order to promote economic development. Participants will be given an overview of what BI entails, whom it assists, and the role that they, as stakeholders, can play in developing the entrepreneurial ecosystem. The objective will be to obtain their buy-in and possible assistance in a future roll-out of BI programmes where required, including in the ten districts.

## 5. BI EXECUTION

Once the players of the VBI have been equipped to manoeuvre on the platform, and understand their responsibilities and accountabilities, it is time to introduce the clients to the platform. This section deals with the process of supporting MSMEs, from their registration, including the support they will receive, and what they can expect to achieve.

### Registration of 10 BPC winning MSMEs on VBI

The ten winners of the Business Plan Competition will be assisted in registering on the VBI platform by the PED team (see Annexure 2: MSME routing on VBI). This will include them entering their company details (Annexure 9) and acknowledging that they are in agreement with the conditions of registration that includes the Declaration of Confidentiality (Annexure 6) and Terms and Conditions of Participation (see Annexure 8).

### MSMEs allocated to a Business Incubator

Depending on the sector, the stage of the MSME business, and its fit with the entry criteria of BIs listed on the VBI, MSMEs will be allocated to a respective BI by the PED team. In the event that there is not a suitable BI on the VBI, then the MSME will automatically be allocated to the BEDCO Pilot BI (see Annexure 2: MSME routing on VBI).

### Business Incubators co-develop Business Development Plans with MSMEs

The PED team, using the Business Building Model (BBM) framework (see Annexure 10), will work with the MSMEs allocated to the BEDCO Pilot BI to develop their respective Business Development Plans (see Annexure 3: BI routing on VBI, including BEDCO Pilot BI). This process will highlight areas of deficiency in the MSME and requiring attention.

### Business Incubators allocate BDSPs to MSMEs

Gaps (in knowledge, processes, systems) needing to be addressed by the MSME in order to give effect to her/his Business Development Plan, will be matched with BDSPs on the VBI. These BDSPs will have already been through the BDSP training of 20 July 2019 and meet the criteria for registration on the VBI - and have the required skills and experience to assist (see Annexure 3: BI routing on VBI, including BEDCO Pilot BI).

The BI Manager will facilitate the introduction of the BDSP(s) to the MSME, and if both parties are happy to proceed with a business relationship, the BI Manager will ensure the BDSP enters into a "Coach Agreement" (Annexure 11) with the BI that specifies the gaps to be addressed with the MSME and payment associated with provision of the services. Payment for the BDSP will come from the MSME's BPC grant, which will be administered by BEDCO.

The BI Manager will also point the MSME to the RESOURCES section of the VBI

Post the pilot phase BI Managers will follow the same process in dealing with MSMEs joining the system without having been routed through a BPC. When an MSME registers on the VBI and elects to apply to join a BI, the respective BI Manager will be alerted by the VBI platform. The BI Manager will, having worked through the BBM with the MSME and developed a BDP, match the MSME with suitable BDSPs registered on the platform. Thereafter the BI Manager will monitor progress against milestones.

### Business Incubator monitors progress of MSMEs

The BI Manager will monitor the progress of the MSME's achievement of agreed-upon milestones as captured in its Business Development Plan (Annexure 3: BI routing on VBI, including BEDCO Pilot BI). Depending on progress made, and the reasons for evidenced delays in the achievement of

milestones, will determine whether the MSME is exited early from the programme, or supported further to reach its point of successful graduation.

As the BI will be measured by BEDCO using aggregated figures of MSME growth including:

- number of targeted MSMEs to support versus actual
- number of MSME milestones achieved versus planned
- average time spent by MSMEs in incubation
- actual revenues of incubator versus target

the BI will via the VBI, collect appropriate data from each client MSME, aggregate and report on this information.

Additional MSME information BIs will collect and monitor include:

- growth in turnover
- growth in profitability
- number of new products / services introduced to the market
- growth in number of staff employed
- feedback on BI and BDSP services

### MSMEs provide feedback on BI and BDSPs

To ensure the on-going provision of quality services MSMEs will be invited to rate their service providers (BDSPs and BIs). (MSMEs will be alerted, when registering, to the requirement for them to provide feedback via the Terms and Conditions of Participation.)

Feedback will be by means of a 5-star rating system (5 = excellent; 1 = poor) and also allowing for a qualitative elaboration of the rating (similar to that implemented by TripAdvisor). The evaluation criteria will be:

- Was the problem solved?
- Was this solved timely?
- Was the advice that was received value for money?
- Would you recommend this BDSP?

On an annual basis MSMEs will be invited to evaluate the services received from the BI via a Client Satisfaction Survey (a template of which will be included in the BI "How to" Manual).

## 6. BI AFTERCARE

### Monitoring of 10 MSMEs as Successful Role Models

Successful implementation of the business incubation component of the PED Programme should set the foundation for growing Basotho MSMEs into a robust and innovative entrepreneurial ecosystem, such that they generate employment opportunities and increased incomes. The full impact of the programme will only be evidenced after a 5 - 10 year period, and once numerous MSMEs have been assisted by the BI programmes, and successfully graduated. Capturing data on the growth and impact of the graduates will be evidence of the success of the PED Programme.

As part of their training, BIs will be encouraged to retain contact with their graduates. In this way not only can they engage the graduates as role models for less experienced MSMEs in their programmes, but they can monitor their further growth and impact.

### BEDCO Managing VBI for Quality Support to Impactful MSMEs

The client feedback loops offered by the VBI will greatly assist in monitoring and ensuring quality service delivery to the MSMEs registered on the platform. On a monthly basis BEDCO will review feedback from MSMEs on their allocated BDSPs, and the BDSP's feedback on their respective MSMEs. On an annual basis BEDCO will review the performance of the Incubators based on the results from the MSME's "Client Satisfaction Survey".

It will be incumbent on BEDCO to monitor and manage the performance of the respective service providers (BIs and BDSPs) and MSMEs. BEDCO should intervene on any "flagged" issues and "slippage", reaching agreement with the individual concerned on what corrective action should be taken. If such action is not taken and the issue not resolved, BEDCO must remove the service provider / MSME from the platform. Leaving poorly performing service providers/MSMEs on the system will damage the reputation of the VBI, resulting in high performance BDSPs and MSMEs not joining the platform because of the perception that what is on offer is inferior.

### BEDCO Rolls out additional BI Programmes as required

As more high performing MSMEs require support, BEDCO should be in a position to set up new BI programmes to assist them. Having been equipped by the PED Programme in both BI good practice, as well as how to run a BI programme on a virtual platform, BEDCO will be able to respond to an increasing demand for effective support. Furthermore, BEDCO will have access to reliable data on MSMEs, their growth and their impact, and hence better informed to gauge the actual need for additional BI support.

### End of Project Report and handover to BEDCO

A report summarizing the activities, and capturing the key learnings and recommendations will be drafted and submitted to BEDCO at the end of the implementation of this component.



## Annexure 1: FUNCTIONALITY OF THE VBI

The Virtual Business Incubator Platform incorporates of the following functionality:

- a. System Administration
- b. Users Management
- c. Clients Management (Small Business Enterprises management)
- d. Coaches/Mentors Management
- e. Meetings Management platform
- f. Networking/Collaboration platform (Messaging, Notice Board, etc.)
- g. Business Building Models platform (BBM)
- h. Projects Management platform
- i. Finance Management platform
- j. Tender platform
- k. Knowledge Management platform
- l. BDSP Database (BDSPs that can be used as “coaches” and “Mentors” and can be searched by anyone who created profiles in the VBI system. Database will be searchable and organised by Service Categories (Marketing, Finance, IT, Secretariat Services, etc.)
- m. Reports and Analytics platform
- n. Surveys platform

### System Actors

Various individuals and organisations will have access to the VI platform through the web from anywhere with the following main roles:

- BEDCO System Administrator
- BEDCO Pilot Incubator Manager
- Incubation Staff (relevant staff as determined by Incubation Manager)
- External BI Managers (with limited access by their staff)
- Client User (SMMEs)
- Coaches / Mentors (BDSPs & BI Managers)
- Other stakeholders : (PMU, Funders, Government, etc.)

### Logical Overview

Companies can be monitored and different facets reported on, including:

- Coaching \ Mentoring sessions
- Training and Events scheduling
- Business Building Model progression, including activities completed
- Progress and Performance relating to MSME projects
- Client Feedback (also used to value or grade the contributions of BSDPs or BIs providing a service)
- Participation in forum discussions

Coaches/mentors have a versatile, user-friendly tool from which to:

- Schedule and manage their sessions
- Interact with their client companies
- Capture learning from each session for future use by other coaches/mentors and companies
- Structure a project timeline through the BBM for each company

- Input progress reports for each of their companies
- Update timesheets

The Incubator Manager(s) will have the facility to:

- Manage the Incubator
- Manage Clients (MSMEs enrolled in the Incubation programme).
- Generate a broad range of analysis reports relating to the progress and performance of each company, coach/mentor and the incubator
- Create custom surveys and monitor results for Quality Assurance
- Interact with coaches /mentors and companies through the Messaging System
- Post notifications and tenders
- Track training and seminar events

The registration process is similar to that used for the BPC where the Incubation Manager accesses the URL, and creates a profile including the username and password. A confirmation email is sent to Incubation Manager; another email sent to System Administrator for approval. Incubation Manager creation is approved by the BEDCO System Administrator and an email sent to Incubation Manager email address.

Incubation Manager logs into the System using the newly created Username and Password. After log-in, Incubation Manager lands on “Incubation Manager Page” as described in the sections below.

The Incubation manager will be able to create an “Incubation Profile” which will be the first basis of starting /opening an incubator with the following details included:

- a. Incubator Name
- b. Incubator Organisation (like BEDCO) including
  - i. Full name of the Organisation
  - ii. Short name of the Organisation (to be appended in Incubation)
  - iii. Automatic Incubator ID Number (Organisation short name + system generated incremental number)
- c. Incubator Owner
- d. Incubator Manager
- e. Incubator location including
  - i. Addresses (Physical, and Postal)
  - ii. Email and Telephone
- f. Incubation Period (e.g. 2 years or 6 months )
- g. Incubation Dates (1st January 2010 to 31 December 2012)
- h. Incubation Type : a. Incubation b. Acceleration c. Bootcamp d. Technological Exploration
- i. Incubation Status : a. Planning b. Open c Running d. Finishing e. Closed

Client management actions by the Incubator Manager for Clients include:

- Incubator Manager can Approve/Reject Applications submitted by CLIENTS wishing to be enrolled in the Incubator
- Incubator Manager can list all Clients/Enterprises with their Status: Being Reviewed / Approved / Rejected.
- Incubator Manager can allocate Coaches/Mentors to Clients
- Incubator Manager clicks on “Client Management” and the Client Management Module opens
  - Incubation Manager can then create the path for the CLIENT (Entry / Development / Milestones / Graduation /Exit) and their timing as agreed with Client, these can be

phases: Pre-Incubation period (Milestones included) / Development or Incubation, Period (Milestones included) / then Graduation or Exit.

- Client Status can also be marked: Enrolled / on Pre-incubation / on Incubation / Graduated / Exited
- Emails sent to Clients every time actions are taken by the Incubator Manager and which require their attention. (Client Approved / or Rejected or More information required or Actions required by Client).

Actions by the Incubator Manager for Clients include:

1. Incubator Manager can invite Coaches / Mentors to participate in an incubation programme (email, and then the person can create a profile on the system).
2. Incubator Manager approves / rejects the inclusion of Coaches / Mentors in the Incubation programme.
3. Incubator Manager allocates Coach / Mentor to a Client (SME or Individual)
4. Incubator Manager can setup reporting timelines/Milestones for the Coach / Mentor
5. Incubator Manager can suspend Coach / Mentor's participation (leave / low performance / other reasons )
6. Incubator Manager receives feedback from Coach / Mentor for each client assigned.

### **Business Building Model (BBM) system**

CLIENTS MANAGEMENT - Mentor and Coach Management

1. Incubator Manager in conjunction with the client and coach establishes the BBM for each Client
2. Incubator Manager links each target on the BBM to a Coach / Mentor
3. Incubator Manager can monitor progress on the BBM Chart for each Client
4. Incubator Manager can see/print report on BBM for each client

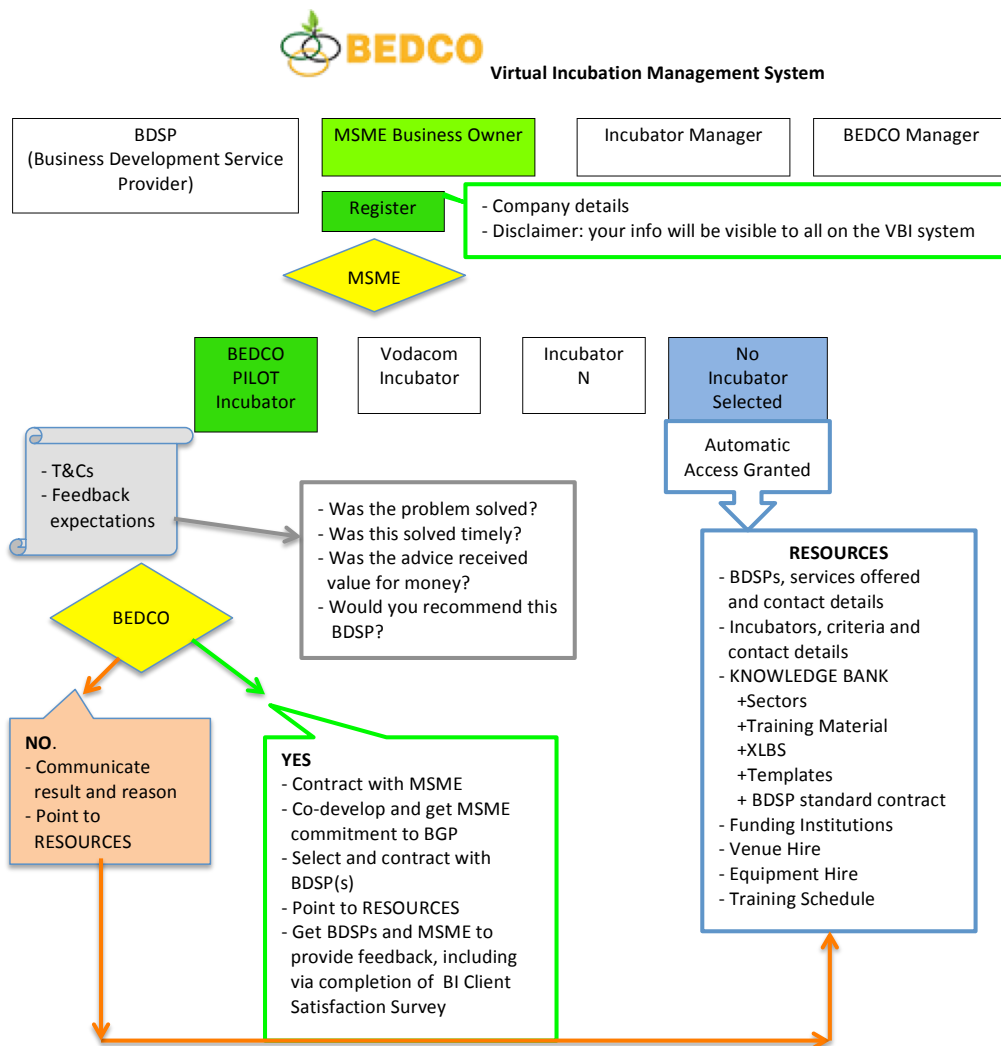
### **Meetings**

- Incubator Manager can setup meetings in the Meeting System (Rooms, People invited, Emails sent to people)
- Incubator Manager can print reports on Meetings for a certain period of time or for certain clients or certain Coaches/Mentors.

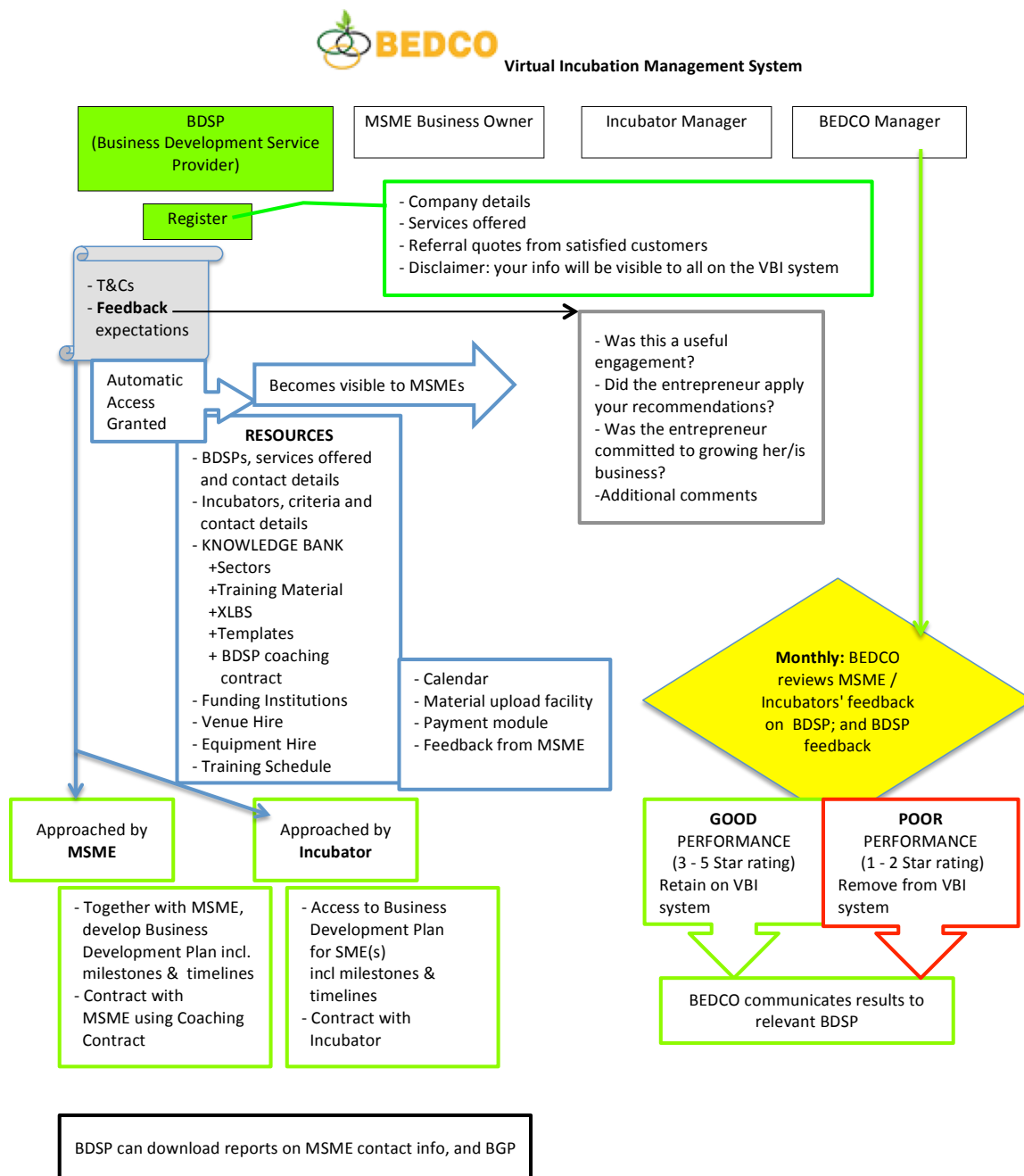
### **Knowledge management**

- Incubator Manager will access the knowledge management platform to post, read, remove any resources: Documents, Articles, Videos, Audio materials.
- Incubator Manager can print list of all items posted/removed from the Knowledge management system.

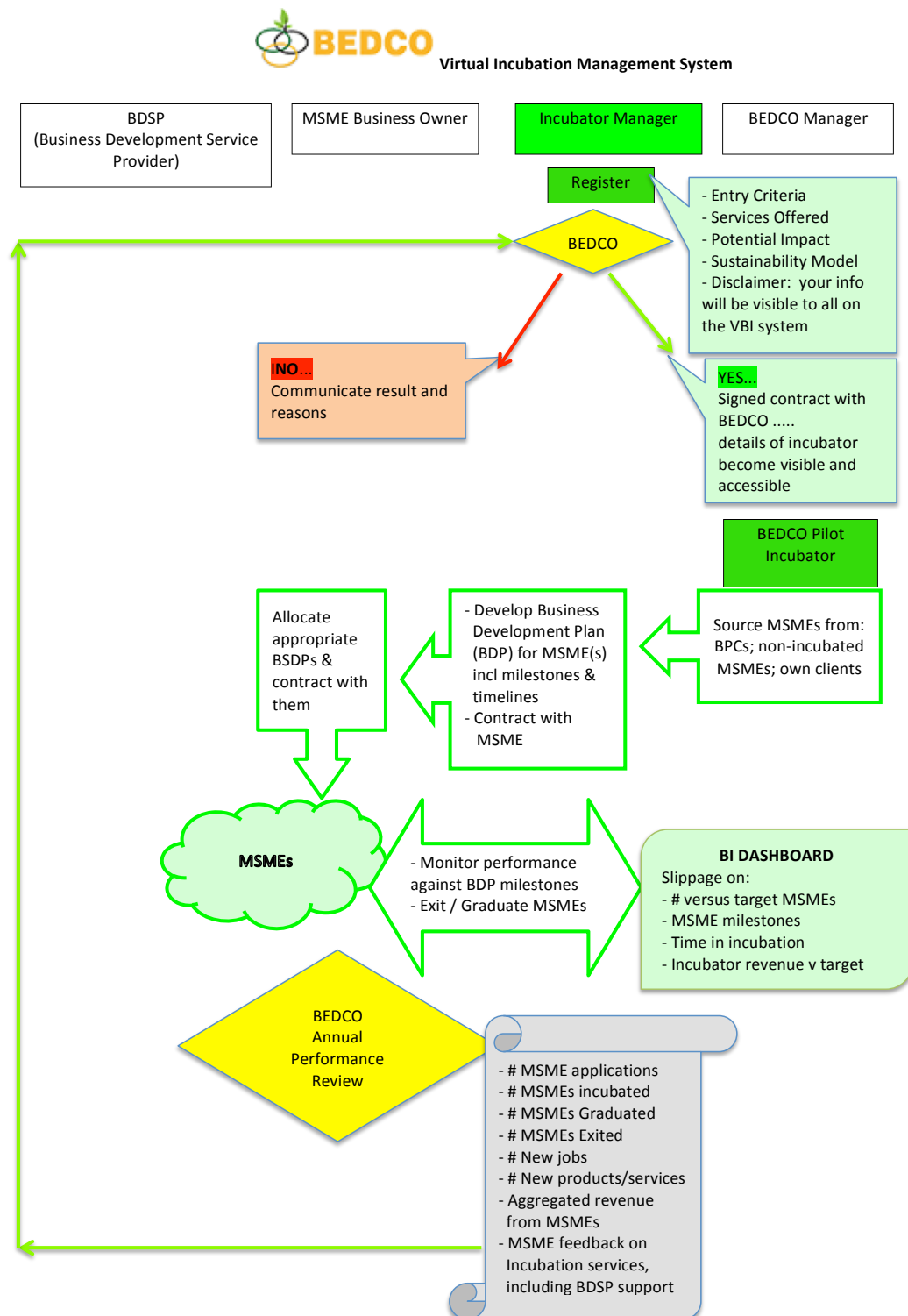
## Annexure 2: MSME ROUTING ON VBI



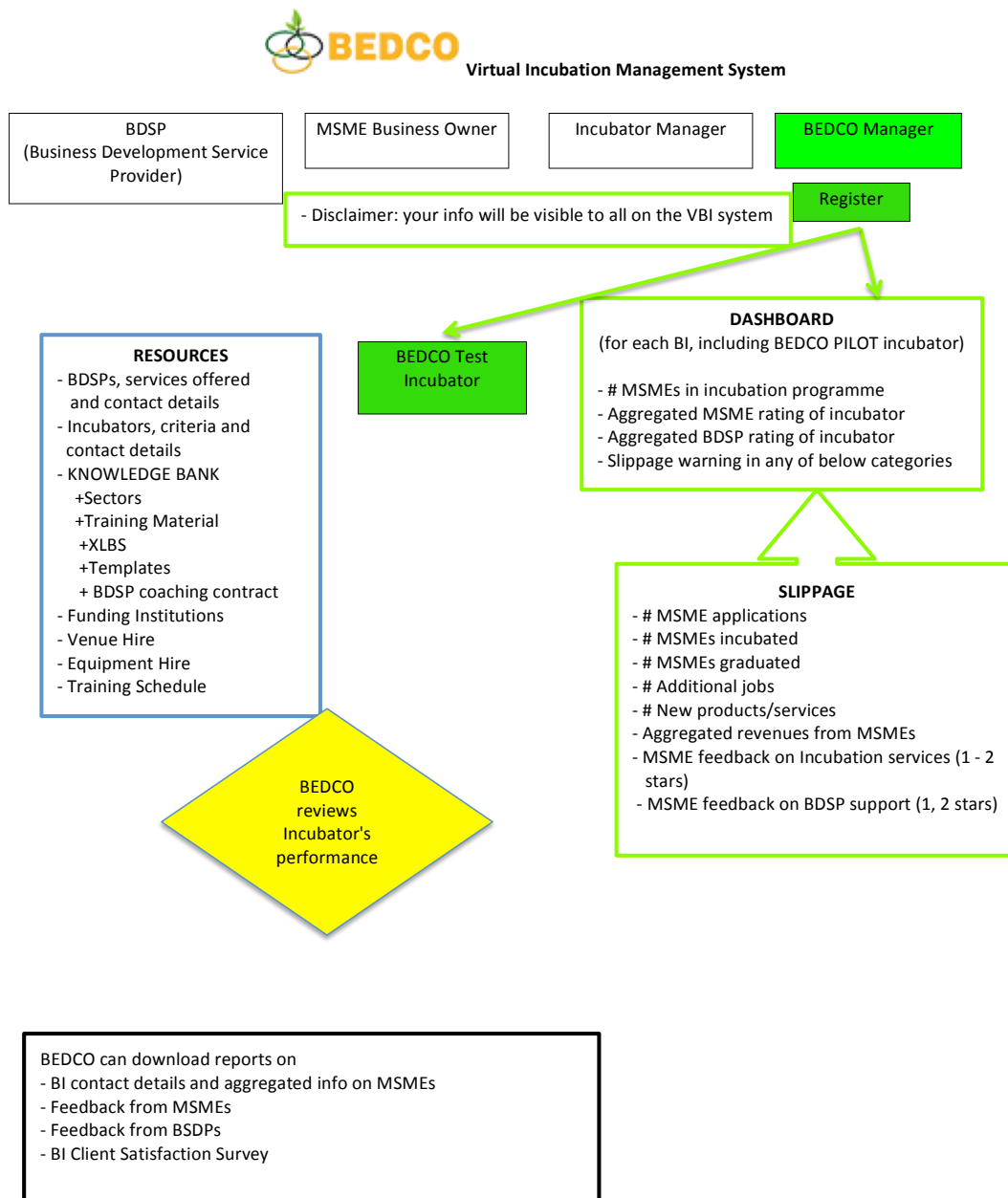
## Annexure 3: BDSP ROUTING ON VBI



## Annexure 4: BI ROUTING ON VBI, INCLUDING BEDCO PILOT BI



## Annexure 5: BEDCO ADMINISTRATOR ROUTING ON VBI



## Annexure 6: Declaration of Confidentiality - for Registrants of the Virtual Business Incubation Platform

This 'Confidentiality Agreement' ('Agreement') aims to protect persons submitting information on the Virtual Business Incubation Platform (VBI).

The purpose (Purpose) of the VBI is to provide quality support to Basotho MSMEs enabling them to grow, diversify and strengthen the Lesotho economy. This is done by ensuring that the service providers who register and operate on the VBI are competent and experienced; by the inclusion of transparent feedback loops regarding the performance of the registrants; and by monitoring an evaluation by BEDCO of the quality of services being provided via the VBI.

This Agreement is designed for the persons exposed to confidential information on the VBI, hereinafter referred to as "Registrant" or "Registrants", namely Business Development Service Providers (BDSPs); Coaches; Mentors; Business Incubation Managers and their staff; BEDCO staff members; and Micro Small and Medium sized Enterprises (MSMEs).

This Agreement deals with the protection of confidential information and documents uploaded on the VBI. Business information uploaded by MSMEs is considered confidential information. Other information is confidential if it has been qualified in writing as such to the receiving Player or labeled as 'confidential' (hereinafter referred to as 'Confidential Information').

### Obligations of the Receivers

1. I undertake not to reveal Confidential Information that comes in my possession to third parties, even after the conclusion of my engagement on the VBI.
2. I promise to use Confidential Information only in the course of preparation for, carrying out and follow-up of actions and activities resulting from my discussion with other VBI Registrants. I also promise to pass on this information to third parties only after express written consent from the information owner.
3. I promise to destroy all Confidential Information received in the course of my engagement with a specific Registrant, within three years of signing this Agreement.
4. I promise to ensure that any colleagues and advisers that are called upon for assistance will also abide by these rules.
5. I promise to use Confidential Information solely for the Purpose of furthering the purpose of the VBI.

### Withdrawal

Receivers who violate the above rules must withdraw from the VBI and they may be prosecuted according to the Country's law and liable for that they will have to pay as a penalty for not abiding the above mentioned rules.

### Legal position

This statement and possible disputes arising from will be dealt with according to the laws of Lesotho.

### Disputes

For every possible dispute, both parties will try to settle it by mutual agreement. If impossible, the dispute will be settled by the competent court. Lesotho's law applies on this declaration.



I, ....., of ..... (Organization)

hereby declare that I have read the Declaration of Confidentiality, that I agree with its content and will comply with it.

Date: .....

Place: .....

Signature: ..... .

## **Annexure 7: Terms and Conditions of Participation on the Virtual Business Incubation Platform as a BSDP, Coach, or Mentor**

These Terms and Conditions must be read and signed in order to register on the Virtual Business Incubation (VBI) platform.

By applying to register on the VBI platform, I agree to be bound by the following conditions:

### **AGREEMENT TO PUBLICITY**

By registering to engage with other VBI registrants, I agree that the Business Incubator in whose incubation programme I participate has the right to print, publish, broadcast, and use, responsibly, in any media my name, picture, and all other information as news or for promotional purposes.

### **COMMITMENT TO THE TERMS AND CONDITIONS OF THE COMPETITION**

I have reviewed the Terms and Conditions and by my signature of this document, confirm that I have and shall conform to the Terms and Conditions and that I agree to be governed by said Terms and Conditions.

### **OWNERSHIP OF BUSINESS CONCEPT**

I hereby confirm and guarantee that the Business information that I submit pertaining to my business and the tools, templates and training material I may upload is and will be my own original idea, or I have permission from the original author to do so, and that I am under no restriction or agreement (legal or otherwise) prohibiting me divulging or submitting this content on the VBI.

### **COMMITMENT TO THE BUSINESS INCUBATION PROCESS AND OBJECTIVES**

I agree to commit myself in person, my time and resources to attend all Incubator-organized trainings, coaching and mentoring sessions as agreed upon in writing with the Incubation Manager, and to submit updates on activities and progress made by my MSME client as may be reasonably requested by the Incubation Manager.

I agree to the regular assessment of my performance by the Incubation Manager and BEDCO, understanding that they will be taking into account feedback from the MSMEs to whom I have been providing support.

I acknowledge that should I fail in any of the aforementioned categories, I shall lose all rights of participation and may be removed by the Incubation Manager or the BEDCO System Administrator from the VBI.

### **RENUNCIATION OF JUDICIAL ACTION**

I understand and acknowledge that the MSME retains the absolute right to accept or reject any advice I provide, and will not hold me liable for any decisions or action s/he takes based on my advice.

Further, I agree to absolve other registrants on the VBI from any and all legal liability that could arise out of or in any way related to my participation on the VBI.

### **COMMITMENT TO PROVIDE BUSINESS DATA**

With this Letter of Agreement, I commit to provide business data to the BEDCO Administrator and / or Business Incubator Officer that is appointed for progress monitoring. I furthermore agree to complete feedback assessments on MSMEs with whom I have engaged.

I hereby declare that I understand and agree to the terms of this Participation Letter of Agreement.

## **Annexure 8: Terms and Conditions of Participation on the Virtual Business Incubation Platform as a Client (MSME)**

These Terms and Conditions must be read and signed in order to register on the Virtual Business Incubation (VBI) platform.

By applying to register on the VBI platform, I agree to be bound by the following conditions:

### **AGREEMENT TO PUBLICITY**

By registering to engage with other VBI registrants, I agree that the Business Incubator in whose incubation programme I participate has the right to print, publish, broadcast, and use, responsibly, in any media my name, picture, and all other information as news or for promotional purposes.

### **COMMITMENT TO THE TERMS AND CONDITIONS OF THE VBI**

I have reviewed the Terms and Conditions and by my signature of this document, confirm that I have and shall conform to the Terms and Conditions and that I agree to be governed by said Terms and Conditions.

### **OWNERSHIP OF BUSINESS CONCEPT**

I hereby confirm and guarantee that the Business information that I submit pertaining to my business is and will be my own original idea and that I am under no restriction or agreement (legal or otherwise), prohibited from using this Business Plan Concept, or from divulging or submitting its contents thereof on the VBI.

### **COMMITMENT TO THE BUSINESS INCUBATION PROCESS AND OBJECTIVES**

I agree to commit myself in person, my time and other resources to attend all Incubator-organized trainings, coaching and mentoring sessions upon invitation, submit updates on activities and actions I have agreed to undertake in order to achieve agreed-upon milestones by the dates and times required by my mentor / coach. Should I fail to do so, I acknowledge that I may be asked to exit from the Business Incubator and shall lose all rights of participation.

### **RENUNCIATION OF JUDICIAL ACTION**

I understand and acknowledge that any advice or services I receive from the VBI Administrator and staff namely: BEDCO, Business Incubator Manager and staff, Business Development Service Providers, Coaches, and Mentors; I retain the absolute right to accept or reject, and will not hold them liable for any decisions or action I take based on their advice. Further, I agree to absolve them from any and all legal liability that could arise out of or in any way related to participation on the VBI.

### **COMMITMENT TO PROVIDE BUSINESS DATA**

With this Letter of Agreement, I commit to provide business data to the BEDCO Administrator and / or Business Incubator Officer that is appointed for progress monitoring. I furthermore agree to, on request, complete feedback assessments on service providers with whom I have engaged; and cooperate with any impact assessment or monitoring surveys to be carried out during and for a period of up to 5 years after I have participated with registrants of the VBI.

I hereby declare that I understand and agree to the terms of this Participation Letter of Agreement.

## Annexure 9: MSME Application to join a Business Incubator

### A. PERSONAL INFORMATION

Please upload 1 separate photo; this photo will be used for the presentation of the summary of your business on the VBI platform (this can be a photo of your product, your logo, a photo of yourself etc.)

#### Personal Information

(Select what is applicable)

Name Gender:

Female / Male

Email Address

Mobile Number

Date of birth

Town District Sector

Highest Completed Education Degree Secondary School / Bachelor / Master / Doctorate

Have you ever had a business before? Yes / No

Do you currently have a business? Yes / No

How did you hear about the VBI? Promotion Team / Email / Flyer / Poster / TV / Radio / Newspaper / Friend / SMS / Other, namely:

#### Key business information

Title of your business:

In what sector will your business operate? (Tick appropriately)

Agriculture / Building and Construction / Culture and Media /

ICT and Telecommunications / Training and Education /

Clothing, fashion and textiles / Trade, Transport & Logistics / Healthcare

/ Tourism / Finance / Water, Sanitation, Waste Management /

Energy / Small industry / Retail / Sports / Services / Other,

namely:

Where will your business be located? Region (province, district and sector):

Exact place (town / village) within the region:

How many persons will you employ in the first two years? None / 1-5 / 6-10 / 10-15 / More than 15

What is your Investment Need? Less than M50,000 / M50,001 - M100,000 / M100,001 - M150,000 / More than M150,000

## **B. YOUR BUSINESS**

The explanations and questions are meant to guide you; you are not obliged to answer every question. Write in your own style; your plan should reflect your abilities and ambitions!

### **1. The entrepreneur: (limited to 200 words)**

Introduce yourself. Why do you want to start this business? What are your expectations between now and 3 years from now?

### **2. The Product/Service (300 words)**

**2.1 Business proposition:** Describe your product/service and describe what value it will create for customers. Why will they buy YOUR product/service rather than that of a competitor?

**2.2 Production:** How will you produce your product/service? Where will your production take place? What (raw) materials do you need? Describe the machinery and equipment that you need. How will you obtain those materials and equipment?

### **3. Market Overview (500 words)**

**3.1 Who are your customers?:** What type of people will buy your product/service? What is their age? Where do they live? What do they earn? What do they want/need? Why will they buy your product/service? Describe where your costumers are located (e.g. towns, provinces, beaches, taxi stands, public markets etc.). What are the best places to sell you product?

**3.2 Innovativeness and Competitiveness:** Is your product/service new? Do similar products/services already exist? What is their success? Why is your product/service different from that of competitors? How will you make sure that people will buy your product/service instead of other similar products?

### **4. Marketing and Sales (500 words)**

**4.1 Marketing plan:** How will your customers know about your product/service? What means will you use to reach your customers? (direct selling, social media, advertisements, etc.)

**4.2 Distribution:** Who will do the actual selling of the products? Will you sell and deliver directly to buyers? Or will you use retailers or wholesalers?

**4.3. Price:** At what price will you sell your products/services?

### **5. Company structure (500 words)**

**5.1 Team:** Will you set up the business yourself or will you work with others? What will be your role in the business? If you have team members, what will be their role?

**5.2 Legal status:** Under what type of legal status will your product/service be commercialized?

(e.g. limited liability company, sole proprietor etc.). What licenses or permits do you need and how will you obtain them?

#### 6. Success factors (500 words)

**Success factors:** What do you need (besides money) to make your business successful? (e.g. business partners, advice, training, etc.)

#### C. TERMS AND CONDITIONS

By checking the box, I, the MSME, declare that I have read the Terms and Conditions and that I fully agree with the Terms and Conditions of Participation on the VBI. I allow the Business Incubator to publish information on my product / service as captured above, including a photo, on the VBI platform. I also agree that all information that I have submitted is true and is my sole work and/or team member's work.

I agree with the Terms and Conditions

Place an X in this box

Name:

.....

Signature

.....

## Annexure 10: Business Building Model Framework

	Product/Service	Market	Business	Operations
<b>Investigation Phase - pre-start up</b>				
1. Investigation	Concept Analysis	Market Needs Assessment	Venture Assessment	Contracts, agreements & registrations
<b>Development Phase - start up</b>				
2. Feasibility	Product /Service Feasibility	Market Study	Economic Feasibility	Establishment of the Core Team
3. Planning	Product / Service Prototype	Strategic Marketing	Strategic Business Plan	Organisational & operational structure
4. Introduction	Pre-Production Prototype	Market Validation	Business Start-Up	Human resource planning & training
<b>Commercial Phase - growth and maturity</b>				
5. Full Scale Production	Production	Sales and Distribution	Business Growth	Policies and Procedures
6. Maturity	Production Support	Market Diversification	Business Maturity	Efficiency review



## Annexure 11: Business Incubator - COACH AGREEMENT

### AGREEMENT

### BETWEEN

NAME OF INCUBATOR (hereinafter referred to as “INCUBATOR”)

AND

NAME OF COACH/BDSP/MENTOR (hereinafter referred to as “COACH”)

(jointly referred to as “THE PARTIES”)

The Parties hereby agree as follows:

#### 1. DURATION OF THE AGREEMENT

This Agreement shall be for the period: .....to.....

#### 2. ROLE AND RESPONSIBILITIES OF THE COACH

The COACH agrees to provide coaching services to the micro, small and medium-sized enterprises (MSMEs) of the aforementioned INCUBATOR.....[insert MSME(s) names] hereinafter referred to as “MSME(s)”.

Specifically, the COACH agrees to:

1. Meet with his/her MSME .....per month for ..... sequential months, keeping the INCUBATOR apprised of the time(s) and location(s) mutually agreed with the MSME. It is recommended that the venue preferably be in a public space, but devoid from distractions. (Coaching sessions can also be done virtually.)
2. Approach the MSME as a “protégé” rather than as a “pupil”, and define his/her role as supporting the MSME in a variety of ways including:
  - Leveraging his/her network for the benefit of the MSME
  - Sharing relevant knowledge and life experiences
  - Providing guidance and advice
  - Sharing tools, templates and relevant information
  - Inspiring and offering encouragement.
3. Discuss actions to achieve milestones agreed upon in MSME Business Development Plan

- and monitor progress towards achievement of these goals.
4. Be open and honest, consistent and dependable.
  5. If necessary, initiate contact to schedule/confirm meetings.
  6. Keep confidential personal and business information about the MSME and her/his business and personal life.
  7. Address and resolve problems pertaining to the relationship with the MSME, or those preventing the COACH from fulfilling his/her coaching duties, and where necessary let the INCUBATOR know.
  8. Provide the necessary information to the INCUBATOR for monitoring efforts of the coaching relationship.

Romantic relationships between the COACH-MSME should be avoided or declared immediately to the INCUBATOR (in which case the relationship as a COACH will be terminated with immediate effect).

Should the COACH wish to invest in the MSME's business or join the management or be paid to undertake consulting or other work for the MSME, both the COACH and MSME will inform the INCUBATOR immediately. (Such activity may occur, but once the COACH moves beyond her/his coaching role to become involved in the MSME's business in another way, the relationship as a COACH will be terminated with immediate effect).

### **3. PAYMENT**

The INCUBATOR will pay the COACH ..... which will be inclusive of relevant taxes. Payment will be made within 14 days of receipt of invoice.

### **4. SUBSTITUTION OF COACHES**

During the course of the coaching, the COACH, in discussion with the MSME, may deem it necessary to enlist skills or competences other than those that had initially been requested by the MSME.

In such an event the COACH will immediately notify the INCUBATOR and agree on an appropriate way forward. Should it be agreed that a new COACH with a different skills/competences set is required, then the agreement with the current COACH will be ended and a new agreement with a new COACH entered into.

### **5. CONFIDENTIALITY AND LIABILITY**

The Parties agree as follows:

1. they undertake to protect and keep secret and confidential any information that was not in the public domain at the time of disclosure about the other Party, or about the MSME and her/his business operations;
2. that the INCUBATOR will not be held liable in any way for any actions of the MSME(s).
3. that the COACH will not be held liable for any advice given to his/her MSME(s) where given in good faith.

### **6. SETTLEMENT OF DISPUTES**

Where there are disputes that cannot be resolved between the INCUBATOR and the COACH, and/or between the COACH and the MSME and the INCUBATOR, BEDCO will be approached to assist in finding a resolution (insert contact email).

### **7. NOTICES AND COMMUNICATIONS**

All notices given in accordance with this Agreement shall be communicated by email.

## **8. TERMINATION OF AGREEMENT**

Either party may terminate this Agreement by giving the other party 10 working days written notice.

## **9. FINAL PROVISIONS**

This Agreement is governed by and shall be interpreted in accordance with the laws of Lesotho.

SIGNED by COACH

Address

e-mail

Date

SIGNED by INCUBATOR

Address

e-mail

Date