



PROMISE TOOLKIT

Pathway to
sustainable
enterprise



Promise Toolkit

Pathway to sustainable enterprise

Skills Development Programme

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Purpose

The PROMISE Toolkit: Pathways to sustainable enterprises explains the phases of incubating skilled individuals to invest in micro enterprises¹ through theoretical and hands-on business development training. This project under BRAC's Skills Development Programme (SDP) is the next step towards supporting skilled individuals to operate businesses at local markets. This particular enterprise development project is also an example of BRAC SDP's contribution to help the country recover from the economic devastation that followed the Covid-19 pandemic by providing pathways for micro-business development.

This document reflects the lessons learned and insights from the field staff who have been working with PROMISE - Promoting Incubation Support to Enterprises - since its beginning in 2017. This toolkit demonstrates the processes of planning, selecting, enrolling, training and financially supporting potential entrepreneurs with extensive training on business management and operations. The strategies for monitoring, evaluation, curriculum designing, training and efficient knowledge management, social inclusion, decent work and communications as cross-cutting subjects are also illustrated in detail.

The toolkit is designed for development practitioners to implement or replicate the business development module in similar socio-economic ecosystems. Government agencies and NGOs will find it useful for more insights into the blueprints for employment generation and business development at the grassroots level. This is also a testament to how BRAC SDP not only creates human resources but also assists sustainable businesses flourish through training and financial support and aims to scale it up through encouraging replication of the model through partnerships.

¹ In case of service based trades, industries that have total assets under BDT 10 lakh excluding their land and factory assets are termed as Micro Industries as per the Bangladesh Industrial Policy.





Skills Development Programme

1.1 Introduction

Since its humble beginning, BRAC has come a long way. As of now, 110 million people are in some way influenced, empowered, touched, supported or trained by BRAC. With around 200,000 employees in 10 countries, it is the largest NGO in the world.¹

BRAC's goal is to empower people through various means. BRAC looks to eradicate illiteracy, poverty, disease, social injustice and gender

¹ BRAC has been ranked the world's number one non-governmental organisation (NGO) of 2020 by NGO Advisor, an independent Geneva-based media organisation

discrepancies in communities all over the world to achieve positive changes that brings forth a world free of discrimination. BRAC's commitment to create pathways for decent work in developing communities is not only for economic prosperity, but to create skilled human resources also, which is like sowing seeds for a sustainable future.

The Skills Development Programme (SDP) began in 2015 with the vision to create opportunities for underprivileged persons to realise their potential with access to training and subsequent employment. SDP focuses on creating income generation platforms for youth, with special emphasis on women, persons with disabilities and marginalised communities. This unique component of BRAC helps improve working conditions at micro, small and medium enterprises by strengthening value chains, management, business capacity and expanding employment pools by creating skilled human resources.

1.2 From education and training to sustainable enterprises

SDP started with the aim to provide an opportunity for school dropouts to learn trades in order to sustain a decent livelihood in the informal economy. As of now, BRAC has its Institute of Skills Development (ISD), which offers a wide range of skill development programmes for the most economically vulnerable communities. Till 2020, skill development interventions have reached out to about 350,000 people, enabling them with soft skills and facilitating access to decent work opportunities.

Alongside customised skills development programmes for economically disadvantaged people, SDP has since 2017 started PROMISE - Promoting Incubation Support to Enterprises. This project is the next step for graduates of other skills development projects leading to

² "The Impact of Entrepreneurial Training Package on Livelihoods of Youth in Bangladesh" (RED, BRAC 2018)

³ "Children and Youth in Bangladesh: Human Capital and Employment", BIDS

SDP focuses on creating income generation platforms for youth, with special emphasis on women, persons with disabilities and marginalised communities.

business incubation. This low-cost training-based approach has seen a 74% success rate in terms of survival of enterprises as it also paves the path for customised loans for business initiation². By channelling young entrepreneurs into businesses hinging on their particular skills, PROMISE can be a backdrop for expanding investments in businesses across communities in Bangladesh and beyond. A project like PROMISE has the potential to propel young people to invest in businesses in their own localities and communities, which in turn can create more employment opportunities at the grassroots level. Skill development initiatives can no longer be confined to training as it is obvious that in order to elevate the economic status of people, there has to be sustainable financing streams as well. With the financing tools provided for PROMISE graduates, clients can have the opportunity to transition from informal to formal earning sources.

1.3 Current context

An estimated 34 percent of university graduates remain jobless in Bangladesh³, which is astoundingly higher than the national average of 4.2 percent. The Covid-19 pandemic has made the situation even worse. As job markets get more competitive, it is significantly important to create new streams of income generation in the country. BRAC has learned from its apprenticeship based training model that skills training for youths can significantly



increase employment opportunities. The enterprise development initiatives like PROMISE can help boost the economy from the ground up as youth can have access to appropriate training and financing options. Small businesses can contribute vastly in terms of creating new jobs for youth who enter the job market annually.

Despite being one of the fastest growing economies in South Asia, Bangladesh still scores low in the global ease of doing business index and the country ranked 168th out of 190 countries in the year 2020. An ecosystem of skilled entrepreneurs, workers and financing institutions can greatly strengthen the entire business infrastructure. However, the creation and sustainability of businesses need support from all spheres. While policymakers can make access easier, skills training institutions can help create demand driven human resources that can sustain these businesses.

The national labour survey estimates that around 2.2 million youths enter the workforce annually. Two out of every five youths in Bangladesh between the age 15 and 24 have no jobs, education and no formal training. According to the Small Business Association, nearly one-third of all new businesses close within the first two years. Lack of business acumen and insights are responsible for this. Seeing others struggle to operate enterprises, many become afraid to start their own ventures. However, these youths can be crucial contributors to the economy if they receive specialised training that can ensure them jobs or teach them the skills needed to run their own businesses. The impact study on PROMISE conducted by BRAC's Research and Evaluation Department (RED) has found that PROMISE graduates are 36 percent more likely to be self-employed compared to non-participants. They are also more inclined to take calculated risks in businesses. It is evident that in order to ensure sustainable growth of the economy, there needs to be proper skills development platforms.

4 "Education, training and skills for a brighter future", Unicef

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The global 2030 Agenda for Sustainable Development demands education, training and skills that are fit for the future. Global policymakers are increasingly emphasising on preparing youths for highly competitive markets by focusing on skills development initiatives⁴. Bangladesh has also taken steps to encourage more people to participate in TVET programmes and the National Skills Development Policy (2011) has made skills development a national agenda for attaining the Sustainable Development Goals. BRAC has also initiated skills development programmes in order to contribute to the national agenda. PROMISE is a unique combination of institutional training, hands-on approach and hand-holding for new entrepreneurs. Alongside the three-month training, the programme offers counselling and mentorship for the graduates for as long as two years. While the project learns and evolves, with operations starting in 2017, PROMISE has been proven to be effective for skills development in Bangladesh. Initiatives like these can have a positive impact on the economy from the ground up, effectively changing the lives of thousands.



PROMISE

2.1 Basics

PROMISE – Promoting Incubation Support to Enterprises – is designed to be a training ground for youth who want to become an enterprise owner with proper theoretical and practical knowledge of business management. The three-month low-cost business incubation support and training is for skilled individuals who want to launch their own business. The course, divided into 11 classroom sessions, is designed to teach business skills and management to people coming from a wide range of trades. In addition, the course work involves practically completing all bureaucratic processes to launch independent businesses. This training programme also teaches the clients how to gain access to markets and be more aware of marketing tools, the lack of which is an impediment for business growth in Bangladesh.¹

¹ Md. Alauddin & Mustafa Manir Chowdhury, “Small and Medium Enterprise in Bangladesh-Prospects and Challenges” (Global Journal of Management and Business Research, 2015)

Besides teaching the basics of business, PROMISE pairs clients with experienced businesspersons as mentors. These mentors offer financial and counselling support for the young entrepreneurs for six months including the training period. The PROMISE staff survey local markets and select experienced businessmen as mentors for the young clients. The clients then incorporate the feedback from the mentors and develop their own businesses. This mentorship model was developed by BRAC to encourage business development through hand holding as it helps entrepreneurs to take calculated risks and be aware of local market trends. Studies have also shown that mentoring support for entrepreneurs promotes business development, financial injection and calculated risk taking.²

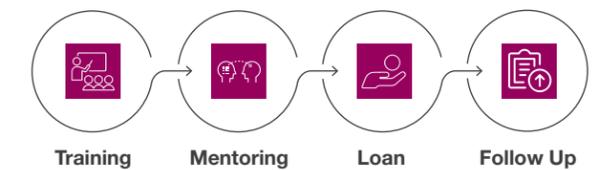
PROMISE graduates have unique opportunity to avail the Unmesh-loan, a specialised BRAC microfinance incentive for disadvantaged young entrepreneurs who do not have any collateral in the form of fixed assets. The BRAC microfinance division provides easy-term Unmesh-loans for up to BDT 3 lakh to PROMISE graduates based on their business training certificates and extensive survey of their social profiles. The clients also need to put up half of the initial investment capital in order to avail the loan. Moreover, the clients have to get the approval and support from one referee and one guarantor in order to get the loans as this ensures credibility. This particular loan was designed as new entrepreneurs in Bangladesh face difficulties availing loans from banks. Around 20 percent of entrepreneurs say they cannot get loans due to the requirements of collateral.³ By providing this loan for certified graduates, SDP has been able to close the gap between financing streams and entrepreneurs.

The PROMISE business incubation model is devised to cover business skills training, mentoring support and financial support. In order to make the project a successful business case, the initiative has been

² Robert Sullivan, “Entrepreneurial Learning and Mentoring” (International Journal of Entrepreneurial Behavior & Research, 2000)
³ Md. Shahnur Azad Chowdhury, Md Kazi Golam Azam, & Serajul Islam, “Problems and Prospects of SME Financing in Bangladesh” (Asian Business Review, 2013)

The PROMISE business incubation model is devised to cover business skills training, mentoring support and financial support.

designed to choose the most potential youth as clients so that they can effectively contribute after the training. The association with the microfinance team has also enabled the project to provide a more comprehensive support in terms of business development. Furthermore, the follow-up and feedback mechanism followed by SDP officials ensure that PROMISE graduates do not stumble while setting up their businesses.



2.2 Features

A blueprint for business incubation

The PROMISE training course has both theoretical and practical sessions. The theoretical sessions focus on localised business operations and management techniques by engaging experts with established business know-how. Modules are designed to teach business basics to entrepreneurs from different backgrounds. Besides teaching the principles of sourcing, distributing, marketing and book-keeping, the classes help trainees identify business pathways through SWOT analysis and market visits. As part of the practical coursework, all clients complete the processes of securing trade licenses, acquiring commercial properties and tax certificates. Combining theoretical lessons and practical sessions, the Promise project is a blueprint



for business development from the ground up for any skilled individual aged between 18-45.

Counselling and support

PROMISE learners get counselling and mentorship support from three sides. Associate Officers (AO) counsel and assist clients for 24 months after the training, while mentors counsel them for three months during the training period, and for another three months after the training. In addition, PROMISE graduates who avail the Unmesh-loan get counselling support from the microfinance Credit Officers (CO) until their loans are repaid. This unique blend of training and hand-holding ensures that clients do not stumble while launching their new businesses.

Sustainable financing

The easy-term Unmesh-loan for PROMISE graduates is an exceptional financing tool as it focuses on helping economically disadvantaged people to build businesses. Despite having employable skills, many find it difficult to invest their capital on businesses due to high risk factors and lack of assets to offer as collateral. The specialised financing tool paves the path for sustainable businesses at the grassroots as it provides easy term loans to PROMISE graduates even if they cannot provide any assets as collateral. Microfinance COs closely observe the socio-economic status and business potential of PROMISE graduates before offering loans. PROMISE graduates can avail the loan for tenure ranging from 12 to 24 months.

Low-cost, high-value training

BRAC SDP designed PROMISE as a tool to enhance economic inclusion. The business incubation training module is easily accessible for everyone – especially women – who want to start earning. As of 2021, 20 percent PROMISE graduates have been women and impact studies show that women graduates are 53 percent more likely to be self-employed after their training. The minimum cost

The easy-term Unmesh-loan for PROMISE graduates is an exceptional financing tool as it focuses on helping economically disadvantaged people to build businesses.

required for the 6-month course can also be paid in instalments if learners are unable to pay at once. This inclusive model has enlisted many learners who would otherwise have remained outside formal training due to financial reasons. Clients are also more inclined to enrol as PROMISE graduates get the opportunity to apply for business loans even without collateral.

2.3 Timeline

Pre-training

This is when the PROMISE field staff do their groundwork for enrolling a batch. During this 2-month pre-training phase, AOs⁴ survey client groups through village organisations, and meetings in local market committees or any other relevant commercial places. In these meetings, local market leaders and businessmen talk about their skill demands and propose the names of youth who might fit PROMISE requirements. As the course is offered to skilled individuals who want to launch their own enterprises, these meetings in marketplaces attract potential clients. Skilled persons from different trades then apply for the course and their names are enrolled in a real time database for further review. AOs also find and enrol mentors for the project during this period.

Training

11 classes take place in a three-month time span with about one session each week. During this

⁴ AOs or Associate Officers are SDP personnel who work on field and carry out project activities at the grassroots.



period, PROMISE clients have to take part in theoretical and practical classes on everything related to setting up and running a business. Each theoretical lesson is followed up by practically doing what they learnt in the lesson. For instance, if they learn about location selection in class, the learners are expected to select their location in the following week. This way, by practically doing what they learn in class, the trainees are expected to end up with an operational business by the end of the course.

Post-training

AOs and mentors supervise learners for one month after the training to help them get businesses running and link them up with BRAC's microfinance programme. After their businesses are installed, mentors counsel them for three months while AOs continue their follow-up for 24 months. Microfinance

COs⁵ supervise and advise the graduates till their Unmesh-loans are repaid.

The Promise impact study conducted by BRAC Research and Evaluation Department in 2018 has shown that nearly two-thirds of PROMISE graduates establish themselves as businesspersons after completing the course. Almost 44 percent of graduates say the mentorship support was crucial during their business development phase, while 41 percent think that the loan support made their businesses possible. The impact studies on beneficiaries have highlighted how post-training followup is just as important as the training itself for creating and sustaining businesses.

⁵ COs or Credit Officers are BRAC Microfinance personnel who carry out the enclave's activities at the grassroots



PROMISE Operations

3.1 Phase 1 – Learner survey and selection

i. Coordination meeting

The coordination meeting between SDP staff and those of other BRAC programmes is the first step of PROMISE. The meeting begins with a brief on the project and its goals. This meeting is a first step towards an internal network to keep BRAC staff updated so that they can circulate the details among their field workers who can also keep an eye out for suitable PROMISE candidates. A short question-answer session is also held at the meeting to further make the BRAC officials more aware.

As a result, the project becomes more effective in targeting and being able to identify the most deserving candidates when a field officer can properly convey the purpose and goals of the mission. Also, in case of changes, this forum works as a hub to keep everyone updated. Often,

field officers from different departments suggest prospective clients for PROMISE. If individuals do not meet the requirements of PROMISE, BRAC officials discuss the possibility of enrolling them in other skills development programmes. This meeting is attended by all field level staff members like Associate Officers (AO), Programme Organiser (PO) and Field Organiser (FO) up to the District Manager (DM)¹ including some management trainees and microfinance credit officers.

ii. Market survey, prospective client selection from village organisations and small group meetings

The BRAC PROMISE team then starts surveying prospective learners in selected areas by arranging Small Group Meetings (SGM) and Village Organisations (VO) at village centres or major commercial hubs. SDP officials also meet with market committees to find potential clients. Networks and connections of existing BRAC projects are used to identify and invite prospective learners, civil society members and important members of the community to join these meetings that provide them with an orientation of PROMISE. Following discussions and inputs from the participants, the AOs collect the names and locations of prospective learners who meet the requirements of the course.

The AOs, assisted by their respective DM, conduct the meetings and talk about the criteria, steps, terms and conditions of PROMISE. AOs are tasked with encouraging people, especially women, to register for the course. In addition, BRAC officials also keep an eye out for potential mentors for the programme.

iii. Client survey (TaroWorks²)

Following the initial survey, AOs start collecting the data of the potential clients in detail using the TaroWorks app on mobile devices. This app pinpoints the GPS location of each learner and

The mentor also counsels the mentee on the choice of business location, investment, product sourcing, securing and convincing customers, understanding market behaviour and product quality

records all the relevant data of the learners, including occupation, age, name, credit scores etc. This data is directly stored in an online repository. This allows editing, review and analysis of the data by the relevant SDP officials, including the AO, DM, Area Manager (AM), Regional Manager (RM) and the project manager for selecting the most worthy candidate. During this learner survey, the AO is expected to collect data from around 40 potential learners living in the area covered by a local BRAC office. During this initial learner survey, AOs do a background check to enquire if the candidates are good citizens and whether they have been involved in any illegal activities. The managerial hierarchy maintained in this survey from AO to RM ensures that all potential clients are scrutinised in detail and constant feedback among the staff makes for an effective client targeting strategy.

iv. Learner selection

From the initial list compiled by the AO, the DM selects eligible learners after visiting their homes and workplaces. The DM meets family members of the prospective learners to learn if the person has the family's support for joining PROMISE. On the other hand, the DM also identifies the strengths and weaknesses of prospective learners at their workplace.

¹ AOs, POs, FOs, DMs, AMs and RMs are SDP officers responsible for carrying out the Promise project at the grassroots

² TaroWorks is a mobile Customer Relationships Management software designed to connect grassroots resources with central networks remotely



v. Fee collection and enrolment

Upon detailed scrutiny of the data, The DM finalises 25 learners for starting a batch. The number of clients is limited to 25 because then the class size remains manageable and effective, with enough scope for ample individual attention. The AO meets selected learners and collects course fees, along with a copy of their national identity card. The learners are then invited for an orientation session, where they are provided with the curriculum and schedule alongside other instructions. For underprivileged learners, there is a provision to pay 60 percent of the course fee before it starts while the remaining portion has to be paid within the first four classes. The DM and AM supervise the fee collection until all learners are enrolled.

ii. Mentors' selection criteria

The SDP has set two major eligibility criteria for a mentor. Firstly, a mentor should be a reliable person whom the mentee can trust with all the business-related issues, ideas and information. Secondly, the mentor has to be an experienced businessperson from the same trade as that of the client and has to be willing to see it as a social responsibility to help others get access to business opportunities. The AOs try to find mentors who have extensive experience in a particular business.

Both the mentor and the mentee have to be from the same trade so that as new entrepreneurs, the mentees can understand all aspects of the business whether tailoring, auto repair or mobile servicing. Mentors do this out of their own interest to support new entrepreneurs as they are briefed on how new entrepreneurs in their individual trades can create an ecosystem of businesses that can rely on each other.

3.2 Phase 2 – Mentor survey and selection

i. Mentor and mentee

In Bangladesh, successful entrepreneurs usually help their family members, relatives and close friends to start businesses. This is part of the social fabric where mentors feel like they are serving the community by helping a younger person out in their livelihoods. BRAC SDP wanted to include this community model in PROMISE in a formal manner.

iii. Mentor survey and selection

AOs contact local market leaders and former BRAC beneficiaries to see if they would be interested to be a mentor to guide the young entrepreneurs. AOs try to find a reliable motivator who will eagerly support the PROMISE clients in running businesses. At first, the AOs go to the potential mentor(s) and try to analyse their eligibility and interest in supporting the clients. If there is a positive response, AOs enroll their names in the system for further review by the DMs. Once the mentors are finalised, they are notified by the AOs to attend an orientation session just before the training course starts.

Mentor is a person who closely supports the client to establish a business and run it well. The mentor works as a consultant and helps the client develop the soft skills needed. A PROMISE client is called the mentee and the person who guides the client is called the mentor.



iv. Mentor orientation

The DM arranges a one-day orientation programme for the mentors of all the clients of the whole batch to give them a clear idea about their responsibilities as mentors. This orientation session explains the importance of interdependence and social humanitarian services to the mentors through games and video clips. The DM also tries to make them understand why the clients need their support by showcasing success stories of businesspersons who have mentored young entrepreneurs before. Then the mentors are directed to provide different kinds of support for the clients as it will help young entrepreneurs become self-sufficient. As the mentors do not get any financial incentive for their role as supervisors, the mentors are encouraged to see the responsibility as an opportunity to grow their business network and as part of their social responsibility to the community. It is expected that the mentors will remain lifelong friends and counsellors of the new entrepreneurs.

v. Mentor-mentee linkage

BRAC SDP designed a 'mentor-mentee linkage' event to introduce the clients with their mentors in a formal setting. This event takes place either at the local BRAC office or the mentor's workplace. This is where the AO officially introduces the mentor with the mentee and explains their responsibilities so that both parties are clear about their roles and what they might expect from the relationship.

The official mentorship begins with this linkage meeting.

vi. Mentors' responsibilities

There are some particular responsibilities the mentors have to carry out, one of which is to help the mentee with homework during the course.

The mentor also counsels the mentee on the choice of business location, investment, product sourcing, securing and convincing customers, understanding market behaviour and product quality, building networks, expanding business, etc. Although the client learns about these at PROMISE classes, the

mentorship programme introduces the learners to the practical aspects of business. Impact studies have shown that clients consider the mentors to be the second most important factor of the training programme, the first being the classes.

vii. Safeguarding orientation

After the mentors are finalised for the learners, they are introduced to a business safeguarding orientation where they are taught how to deal with issues like sexual harassment, theft and employee misconduct. Orienting the learners with these issues ensure that workplaces are safe for everyone and are responsive to fulfilling decent work requirements. Since the Covid-19 pandemic, this safeguarding orientation has also introduced teaching health regulations and hygiene maintenance for mitigating Covid infections in classrooms and workplaces.



Training

a. PROMISE classes

There are 11 classes in three months covering five modules. The class schedule is designed to be suitable for learners who mostly have a day job and can only join classes for one day of the week. The teaching modules are spread out in 11 classes to make the course comprehensive and assignment based. Clients are also more attentive in classes because it is easy for them to understand as the course progresses from one step to the other, gradually building upon the previous session. In addition, the interval between the classes is necessary for the learners to complete assignments and homework.

PROMISE classes are conducted by the DMs while AOs work as co-trainers. The class work consists of exercises, verbal Q&As, games, writing activities and practical sessions in real-life market situations. There are also ice-breaking sessions at the beginning. The course features classes with four sector specialists

who discuss specialised topics for one hour each. The Area Manager (AM) of Progoti loan scheme discusses loan distribution processes and the Regional Manager (RM) of Microfinance shares success stories with the clients. In one of the other two sessions, a noted entrepreneur from the local community talks about successes while the fourth session has a tax or trade license inspector explain the bureaucratic processes involved in setting up a business. A PROMISE graduate is expected to know all the details about launching and operating a business as the classes are designed to be a guided pathway for entrepreneurs.

b. Curriculum and tasks

The PROMISE curriculum modules are taught through lectures, class works and homework assignments. Each module has an extensive curriculum and it is designed to teach everything about business plan, launch and its operation.

Scheduling classes and modules

These five modules are taught throughout the 11 classes. Clients have to attend classes once every week for three months. A typical class takes around three hours. The modules are segmented and taught by the DM in a conversational manner with the help of video presentations, market simulation exercises, discussions and role playing. Each three-hour class has a 20-minute break.

Reasons for disqualification

Before enrolling for the PROMISE course, clients are briefed on course regulations and principles of BRAC. If the situation demands, PROMISE clients can be disqualified for any of the following reasons:

- Inability to pay full course fee within the first four classes
- Actions contrary to BRAC principles¹
- Voluntary departure from the course
- Absence in four consecutive classes without a valid reason

¹ BRAC abides by the policies of safeguarding its people, be it the employees or the communities it serve, by adhering to principles against abuse, sexual harassment, bullying, discrimination, intimidation, violence, neglect and exploitation.

The class schedule is designed to be suitable for learners who mostly have a day job and can only join classes for one day of the week.

AOs determine the reason for disqualifying a client and inform the DM. The DM follows up on the ground and notifies the AM. Then upon approval of the AM the client is dismissed and information uploaded into the system, including TaroWorks. Around 8% PROMISE clients drop out due to varying reasons like financial constraints or insufficient attendance.

c. Certification

The final step of the training is certification. All PROMISE clients, who have satisfactorily completed their tasks and assignments, are provided with a certificate as a PROMISE graduate. These graduates are then eligible for the specially designed Unmesh-loan. In addition, PROMISE graduates who launch their own enterprises are provided with a banner that highlights their achievement stating 'Trained by BRAC PROMISE' in bright bold letters. This benefits the training programme in a two-fold manner. First it enhances the credibility of the PROMISE graduate's business and, second, by letting others know about the PROMISE programme, which in turn inspires people to join the entrepreneurship development programme.



MODULE 1 Entrepreneurship and entrepreneur

This first module introduces the clients with BRAC and PROMISE. They are also taught the basics of entrepreneurs and entrepreneurship. This module sets the groundwork for the course and the clients get a clear idea on why, how and what they will learn in the next three months.

Introduction to BRAC, SDP and PROMISE

Introduction to entrepreneurship and entrepreneurs

SWOT (Strength, Weakness, Opportunities and Threats) Analysis

MODULE 2 Preparing and planning for business

Approximately 65 percent of all PROMISE graduates start their own businesses by obtaining a trade licence after the training. PROMISE clients are taught about applying for trade licence in the second module, which is a pathway for learning about formal business activities that are related to regulation, licencing, taxation and budgeting.

- Self-analysis
- Business Selection
- Naming the business institution
- Steps to get a trade license
- Rights of workers
- Steps to get insurance

- Paying taxes
- Analysing the opportunities of business
- Learning to plan a business capital
- Source of capital

- Eligibility for loans
- Conditions for getting micro-credits
- Conditions to get a loan from banks
- Budget planning
- Planning the budget for your business

MODULE 3 Marketing, financial planning and human resource management

The third module is designed to teach marketing skills and human resource management. There are multiple practical assignments in this module, which involves on-field market research and simulated sales through persuasion and planning.

- Planning for marketing products
- Selecting a place for business
- Learning about products
- The right customers
- Strategies for setting up prices
- Promoting the products
- Production planning

- Distribution planning
- Different types of expenses
- Setting prices after analysing costs
- Human resource/worker management
- Determining the cost of employing workers

- Qualities of leadership
- Fixed expenses and flexible expenses
- Learning about income-expenditure and profit-loss
- Planning for cash flow
- Practicing cash flow in one's own business

MODULE 4 Safe workspace, communications and record book

The fourth module teaches how to maintain human resource diversity by hiring women and People with Disabilities (PWDs). In addition, safeguarding policies involving decent work are also taught. This enables PROMISE graduates to become decent employers who are aware of their workers' rights and their own responsibilities as employers.

- Learning and practicing on the formatted record books
- Documents needed for maintaining a small business
- Importance of communications in business
- Areas of communication in business

- Ways of achieving customer satisfaction
- Learning about Decent Work
- Directives for Decent Work
- Importance of Decent Work

MODULE 5 Final planning and follow-up

This is the fifth and final module where business plans are finalised and clients are taught how the follow-up mechanism will work for the next 24 months. They are taught to maintain a record book for further evaluation and monitoring.

Final planning for setting up businesses

Learning about the directions and rules of follow-up



Post Training Follow-Up

Both the SDP and Microfinance departments are involved in the follow-up. Most PROMISE graduates are expected to launch their businesses by the end of the course, either with their own funds or with Unmesh-loans. AOs follow up on all PROMISE graduates for 24 months after the training. Microfinance COs follow up on PROMISE graduates who take out Unmesh-loans till they are repaid. The PROMISE model requires active engagement of multiple personnel and the SDP officials maintain constant communication during the follow-up phase as well to make sure that all expected outcomes of the project are achieved at the grassroots.

The AOs and COs are tasked with following up on the clients and often collaborate between them to address a challenge or solve a problem for the clients. Alongside AOs and COs, the mentors are also directed to follow up on the PROMISE graduates for three months after the training ends.

Follow-up tasks and timeline

<p>Tasks of SDP officers</p>	<p>The SDP officers involved in the post-training phase play a crucial role in sustaining businesses by advising, assisting and maintaining relations with the new entrepreneurs. Apart from record-keeping and helping to set up the business, the AOs regularly check on the graduate's family welfare and overall health. DMs visit the businesses several times and AMs visit them once during the follow-up phase. Beginning with the survey, SDP officials strike up a close bond with PROMISE graduates as they go through the training and follow-up phases. This further fosters a strong relationship between BRAC and the newly trained entrepreneurs. This creates an atmosphere of trust among the stakeholders and ensures that PROMISE meets expectations of all parties.</p> <p>AOs and DMs also prepare a profile of the clients before handing them over to the microfinance department. This profiling by grassroots SDP officials is crucial for PROMISE graduates in securing loans.</p>
<p>Tasks of microfinance officials</p>	<p>Microfinance Credit Officers (CO) are trained to look at PROMISE graduates with a different lens compared to other lenders. As PROMISE graduates do not have much capital to start businesses with, the COs try to help them as much as they can in terms of business development and financial management. Apart from analysing quantitative data from PROMISE record books, COs try to find out what challenges the new entrepreneurs are facing and try to provide solutions for them. They also encourage the business owners to maintain good relations with their peers. COs also collect monthly loan instalments from clients if they are unable to reach the nearest BRAC office. Microfinance AMs visit the businesses once every month and the RMs visit once during the loan period.</p>
<p>SDP follow-up: record keeping and business counselling</p>	<p>AOs make sure that the young entrepreneurs regularly update their record books provided upon course completion. The AOs check how the business is doing and sign the record book to mark their monthly visit to the business enterprise for 24 months. The data on the record book allows the AOs to determine the state of the business and make informed decisions while offering their support to the new business owners. Checking the record books is the most important task of the PROMISE follow-up routine. This also promotes good business practice as the entrepreneurs build the habit of record keeping, which helps the businesses keep accounts in the long run. In addition, SDP officials act as business counsellors and try to help the new entrepreneurs with financial planning, budgeting ideas, customer management skills, management techniques, etc.</p>
<p>Microfinance follow-up: Unmesh-loan</p>	<p>The microfinance COs start following up on PROMISE graduates from the time they apply for the Unmesh-loan, which is a specialised loan for skilled persons who are not eligible for traditional business loans due to low credit scores. Before Unmesh-loans are disbursed, COs thoroughly check on the socio-economic status of the PROMISE graduates. They determine what the value of their assets might be and try to estimate the amount of loan that is suitable as per the applicant's socio-economic status particularly as regards their ability to repay.</p> <p>After the loans are disbursed, COs follow-up on the PROMISE graduates until the loans are repaid. The officials check on the record books and ask the entrepreneur how the business is going and advise on what can be done for improvement.</p>

Features of Unmesh-loan



Ranges from
BDT 20,000 - 300,000

Only available for certified PROMISE graduates



Loans can be repaid with
12, 18 or 24
monthly instalments



Applicants must match the loan amount with their own funds



Two vouchers within the loan period can be used to extend the loan grace period for two months without additional interest

%

Declining interest rate of

24%
(13.5 flat rate)



Needs to be endorsed by a guarantor (a family member) and a referee (not a family member or a mentor)





PROMISE Achievements

7.1 Social inclusion

Similar to all BRAC projects, PROMISE aspires to be an equal opportunity platform. Field level officials try to enrol equal numbers of men and women alongside people from marginal communities, transgenders and people with disabilities. However, it is often very difficult for women living in marginalised communities to be able to pay for the course unless their husbands or guardians allow it in the first place and support them in running a business. Despite such difficulties, PROMISE has been exceptionally successful in making women more self-sufficient. Around 47% of women graduates have reported that their income has risen significantly after the training. The trend is similar in terms of self-employment as 53% women graduates reported being self-employed after the training. As of now, around 20% PROMISE clients are women and 0.8% learners are from transgender communities. This inclusive model was possible due to an effective targeting mechanism during client surveys.

7.2 Use of technology

The use of technology, especially the TaroWorks app, is a significant step in fully digitising the PROMISE entrepreneurship development process. With mobile phones as data collection devices during the initial learner survey, SDP can analyse the social and economic conditions of the participants from the very start. Stakeholders involved in the process, including the skills development and microfinance officials, can look into the data anytime on their TaroWorks dashboards. This helps them identify and pinpoint the participants' home and business location along with other details in real time. Moreover, senior officials and research organisations can look into the data to determine and analyse PROMISE trends in real time. This helps with informed decisions and knowledge management becomes easier. The use of technology in PROMISE has made it a more effective programme as there is a constant feedback and learning loop for all stakeholders. This paperless approach, besides generating employment and creating entrepreneurs, is also leading by example as a green initiative with a significantly low carbon footprint.

7.3 Better business knowledge

Impact studies by BRAC Research and Evaluation Division (RED) have determined that PROMISE plays a significant role in developing entrepreneurship among the graduates. Participants' monthly income increases by 17% immediately after the training and it translates into a higher propensity to save among the youth and higher non-food expenditure at the household level. PROMISE graduates save 23% more than non-participants and they are more likely to start savings early. Additionally, PROMISE graduates are 42% more likely to invest in and operate businesses on their own rather than depend on family or joint enterprises. They also develop good communications with local entrepreneurs and experts, which ultimately helps them build an atmosphere of mutual business growth. Promise graduates also score 7% more in the confidence index and they are 10% more likely to take calculated risks in their businesses (Impact Study, 2019).

Impact studies have found that PROMISE graduates have propagated a 21% increase in accessibility of first aid facilities and 20% increase in prevention of professional accidents.

PROMISE encourages young entrepreneurs to be self-employed rather than be dependent on wage employment. The graduates are 15% more likely to own large enterprises within the next five years. Improved business knowledge helps these entrepreneurs make more informed decisions along the way.

7.4 Decent work practices

The International Labour Organisation (ILO) describes decent work as 'opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity'. While the basic elements of decent work — equal job opportunities, rights at work, social protection and social dialogue — are universal, their scope and extent vary in the local context depending on a host of factors. BRAC PROMISE teaches its learners all important principles and encourages them to apply these in their own workplace.

Impact studies have found that PROMISE graduates have propagated a 21% increase in accessibility of first aid facilities and 20% increase in prevention of professional accidents. The findings suggest that PROMISE has an immense opportunity to improve working conditions by teaching the values of decent work. Additionally, 88% of PROMISE graduates report experiencing progress in life and improvement of financial condition after the training. Coupled with sustainable income and employment opportunities, PROMISE can go a long way in ensuring decent work at the grassroots.



7.5 Pandemic playbook

While the Covid pandemic has affected economies all around the world, small businesses suffered the most, losing an overwhelming proportion of business. Covid related surveys on enterprise owners by the BRAC Technology for Development (T4D) team have found out that 77.8% of enterprise owners lost all their savings during the pandemic while 77% of enterprises had to lay off their employees. Moreover, 41.8% of enterprise owners have loan repayments from banks and other financial institutions which had been defaulted during the pandemic. Most PROMISE graduates with businesses had become wary of their loans during the pandemic. However, the *Unmesh* vouchers providing for two grace periods (two months without paying the instalment) proved to be immensely helpful during the pandemic. Most business owners were relieved from the burden of paying instalments at the height of the pandemic

by using the vouchers and in some cases, it was enough to save the businesses from ruin. Although these vouchers were initially designed to protect small businesses from unexpected cost overruns and loan burdens, they played a crucial role in protecting businesses during a global pandemic.



Next Generation of Skilled Human Resources

8.1 Success story

Within only a couple of years in operation, Rahmat Electronics has made a name for itself in the locality. The owner, Md Rahmat Ali, has diversified to distributing electronic goods for wholesale in the mornings, and mobile servicing at the store in the evenings. Located at Phultola intersection of Rajshahi's Shah Makhdum sub-district, the mobile repair shop boasts of a satisfied clientele.

Rahmat had always wanted to be his own boss; do his own thing. Rightly anticipating a demand for mobile repair and servicing, he began to learn the

“In PROMISE, I learnt to keep all records of my business. This practice helps me understand the progress and determine what needs to be done to optimise the profits.”

trade. But quite like many of his peers, Md Rahmat Ali had little idea about running a business operation.

It was around this time that he attended an SDP meeting with a local market committee in 2018. Learning about his enthusiasm, AO of Brac, Ms Halima Khatun urged him to apply for the PROMISE training course. Upon evaluation by Microfinance Credit Officers (CO), Rahmat was deemed qualified for a loan of BDT 150,000, which helped set up his business at the local bazaar.

Rahmat proved his business savvy and entrepreneurship from the beginning. “I used to be worried about the loans. Business can be difficult sometimes, but I tried my best.” Proudly showing off his shop, Rahmat says he did not have to default a single time on his 18 monthly instalments, although his peers are allowed two such defaults.

“I tried to remember how the DM used to talk about business diversification in the class,” says Rahmat explaining how he took the lesson to heart. He used to get a lot of people asking for computer-based services, which he learned from another course. Judging the demand for electronic goods in the area, he decided to use his auto-rickshaw for distribution, adding to his income. “I have a mishuk (autorickshaw), which I use to distribute the wholesale products in the morning and sit at my shop in the afternoons,” he says. Today, Rahmat is a renowned name in the area for servicing mobile phones and selling electronic goods at both retail and wholesale.

He says he was able to maintain a stable cash flow relying on proven marketing strategies and good customer relations, which he learned at the training course. PROMISE also taught Rahmat about product sourcing. He buys products when their prices are the lowest. “I buy the goods from both Dhaka and Rajshahi and I am able to sell cheaper than my competitors and still have a margin.”

Rahmat thinks PROMISE helped him climb the economic ladder by making him more conscious about savings, investment and business accounting. “In PROMISE, I learnt to keep all records of my business. This practice helps me understand the progress and determine what needs to be done to optimise the profits.”

The PROMISE graduate is not entirely lost in his own business and appreciates the importance of social responsibility too. Currently, he is mentoring another PROMISE client, not much unlike himself two years ago. “The mentorship helped me a lot in my business. So, I thought it would be a great chance to help another person like me to become self-sufficient.”

He thinks about upgrading his skills as well as developing his business gradually. He plans to build a store for his wholesale business. “I have a plan to grow my business for which I am willing to take more risks, as I am confident about succeeding. I will need to work hard but I will certainly succeed.”

8.2 The PROMISE factor: Employment and economic inclusion

PROMISE gives young enthusiastic individuals the opportunity to learn and invest in businesses, which in turn increases self-employment. Subsequently, these self-employed entrepreneurs hire more people and boost economic inclusion at the grassroots. The project has been proven to significantly improve the quality of life of the participants.

Shahana Khan Shathi from Rajshahi was an exception from the very start. Despite being a



successful businessperson with a good embroidery business and a beauty salon, Shahana found it difficult to get loans as she did not have any collateral. After knowing about PROMISE in 2017, she soon enrolled in the programme. “I knew that I would become eligible for a loan after the training and then I could expand my businesses,” says Shathi, adding that she has also learned many things along the way. “PROMISE taught me to keep a steady cash flow and I am now more aware of keeping records of my production, supply and income. Since my graduation from PROMISE, I have rarely faced losses,” says Shahana.

The young mother of two had received a loan of BDT 300,000, the highest ceiling for PROMISE graduates filing for the Unmesh-loan. With this capital injection, Shahana was able to consolidate her logistics network by investing in local transport and hiring more people. As of 2020, Shathi had 18 female employees and had trained around 5,000 women in the embroidery and beautification trade. Shathi’s success story speaks volumes in terms of women taking charge in businesses and hiring

more women in turn. This is indeed an example of ‘replication’ of the activities, without Brac’s intervention- which can easily be interpreted as a ‘sustainable development’ model. It shows that PROMISE not only produces the next generation of skilled entrepreneurs, but also creates a ripple effect in hiring more people and including more marginalised people.

Shahana had a supportive husband and she managed to operate her businesses from her own house. However, she understands that it is not as easy for every other woman in her community. “I run my own business and have a certain degree of freedom. But everyone is not as lucky. Many women want to learn from me, but always complain that their husband wouldn’t let them do business,” she says, adding that BRAC could enroll more women in skill development programmes if the men in the family were persuaded and informed about the benefits of women’s empowerment. “I am trying my best to teach other women in my locality. BRAC helped me reach my goals, and I always tell others to attend skill development courses.”



Knowledge Management

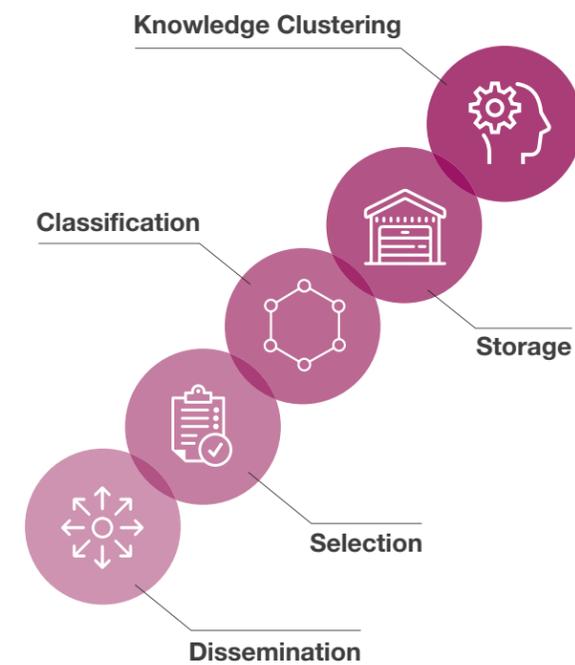
Knowledge Management, as defined by the World Bank, is a collaborative effort to create a collective and cumulative evidence base of delivery know-how to inform development practice and improve implementation.

For SDP, knowledge management starts from the day to day process and is maintained both online and offline. The online data generation and Customer Relation Management (CRM) platform, TaroWorks acts as a dynamic knowledge platform

utilise. Depending on the importance of information, both quantitative and qualitative data is selected for further information gathering in the form of research, impact assessments and case study generation which are then used as fund-raising and communications purposes.

Knowledge management is a united effort of all stakeholders to collect and disseminate evidence-based know how of any particular project. This practice improves implementation of development practices at the grassroots and improves coherence among all sides.

The accurate storage ensures that any research organisation can evaluate the data generated from these systems to produce strong evidence based impact studies, some of which have been presented in this very toolkit.



from which the project receives evidence based data analysis that helps in steering projects in the field. Apart from the online system, an offline system is also maintained starting from note taking, keeping all documents in one folder for common use, classification through various folders, among others. Once information is stored as documentation, they become a large knowledge base which others can



Communications

Communications is the process of gathering, utilising and disseminating information by using a wide range of methods. Particularly in the development sector, communications require listening, building trust, sharing knowledge, promoting skills, building policies, debating, and learning for meaningful change. SDP sees communications as a crucial support system for every project including PROMISE. Communication tools, including the ones like this toolkit, ensure engagement with stakeholders, demonstration of successes and the participation of people in regards to understanding what the project does. Client focused communications can also change behaviour and perception to achieve programme targets. SDP staff and other BRAC programmes also communicate with each

SDP sees communications as a crucial support system for every project including PROMISE.

other to learn from each other's experience. The collaboration between SDP and the MF programme to develop the Unmesh-loan is an example of how inter-departmental communication can design projects that can impact the lives of many. After a successful pilot phase, PROMISE has also started to expand as other donors from development partners and businesses are seeing the positive results of this initiative and thus investing in this approach to develop local entrepreneurs.





Monitoring and Evaluation

Planning, monitoring and evaluation enhance the contribution of BRAC SDP by establishing clear links between past, present and future initiatives and development results. Monitoring and evaluation can help an organisation extract relevant information from past and ongoing activities that can be used as the basis for programmatic fine-tuning, reorientation and future planning. Without effective planning, monitoring and evaluation, it would be impossible to judge if work is going in the right direction, whether progress and success can be claimed, and how future efforts might be improved.¹

PROMISE monitors and evaluates the operations of the project by using a multifaceted approach. TaroWorks data allows SDP officials to monitor progress and update in real time. It also allows for monitoring clients' change of income, improvement in livelihood and investment trend. Concurrently,

SDP officials can decide the trajectory of the project by analysing the data and adapting to the context towards building a more effective programme. In addition, BRAC's research bodies produce research documents and statistical reports to study the impact of the project in different socio-economic conditions. This constant evidence generation ensures that the model is being tweaked even while it scales up.

Alongside studying the TaroWorks data repositories, BRAC SDP monitors and evaluates the project by following up on PROMISE officials. The AOs report their observations to the DM, who in turn reports to the AM and RM to evaluate the situation. This creates a constant communication chain among all the officials concerned.

¹ Handbook on planning, monitoring and evaluating for development results. UNDP



List of abbreviations

AM	Area Manager
AO	Associate Officer
CO	Credit Officer
DM	District Manager
DPC	District Programme Coordination
FO	Field Organiser
GPS	Global Positioning System
ILO	International Labour Organization
MF	Microfinance
NGO	Non-Governmental Organisation
NTVQF	National Technical & Vocational Qualification Framework
PO	Program Organiser
PROMISE	Promoting Incubation Support to Enterprises
PWD	People with Disabilities
RED	Research and Evaluation Division
RM	Regional Manager
SDP	Skills Development Programme
SGM	Small Group Meetings
SWOT	Strength, Weakness, Opportunities and Threats
TVET	Technical and Vocational Education and Training
T4D	Technology for Development
VO	Village Organisation



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