

# Digital Delivery: A digitalization guidebook for enterprise support organizations

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**Dalberg**

 Aspen Network of  
Development Entrepreneurs

 **argidius**

# PURPOSE OF THIS DOCUMENT

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This document is a strategic guidebook developed by Argidius Foundation and Dalberg Advisors to support business development services (BDS) providers to successfully adopt digital practices and tools. It explores current practices and opportunities across the landscape to guide BDS providers in using digital technologies to provide services to entrepreneurs in an effective and inclusive way.

This guidebook has four parts:

- **Part One** provides of background and context of this report and digitalization's relevance to BDS
- **Part Two** summarizes different potential digitalization pathways organizations may take and why
- **Part Three** offers practical guidance on how to digitalize effectively
- **Part Four** highlights additional resources for BDS providers on enterprise support and digitalization

The guidance offered in this report draws on lessons from BDS organizations across the sector that have shown initial signs of success in their digitalization journeys, as well as learnings from digital organizations in other sectors that offer insights into new possibilities and key success factors for BDS providers.

## 1

### What is digitalization and how is it relevant to BDS?

*Provides background and context for this report and survey insights on BDS providers' different motivations and aspirations for digitalization*

*pages 4-8*

## 2

### Choosing a digitalization pathway

*Lays out three “archetypes” that characterize different digitalization pathways, with guidance for choosing the appropriate one given your organization’s context*

*pages 9-15*

## 3

### How to digitalize

*Unpacks three key steps for effective digitalization, including tactical guidance, case studies, insights from other sectors, exercises, and considerations by archetype*

*pages 16-51*

## 4

### Resources to help you on your journey

*Highlights resources on digitalization and “what works” in enterprise development support, helpful support organizations, and commonly-used tools*

*pages 52-55*

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**What is digitalization and how is it relevant to BDS?**

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# Digitalization is playing an increasingly prominent role in business development services delivery

## 1. WHAT IS DIGITALIZATION AND HOW IS IT RELEVANT TO BDS?

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### HOW TO DIGITALIZE

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## Background and context

Business development services (BDS) organizations provide important capacity development support to small and growing businesses (SGBs) globally. These organizations offer a range of services including management training, one-on-one mentorship, access to organized peer networks, investor matchmaking, and more.

In 2020, many BDS providers saw their ability to provide services to SGBs disrupted by the COVID-19 crisis. An ANDE survey of its members' responses to COVID-19 found that BDS providers, particularly those based in emerging markets, faced severe liquidity crises and program stoppages, and thus needed support to survive and adapt by introducing new COVID-19-related programming for SGBs.<sup>1</sup>

Amidst this challenge, the COVID-19 crisis has also presented an opportunity to accelerate a trend toward using digital technologies to provide BDS efficiently, inclusively, and effectively. While this trend has been growing for years, the pandemic gave it even more momentum and urgency. Organizations that had already started to digitalize their services were forced to accelerate their efforts, while others that had operated primarily in person needed to dramatically adapt their approach and learn how to operate digitally.

Looking ahead, many organizations must determine what role digitalization will play in their approach in a post-COVID-19 world. Some will choose to re-integrate in-person service delivery as their core business model, while others will maintain a digital focus as a central feature of their strategy. This report offers guidance for organizations to assess which pathway is right for them based on their strategies and contexts, as well as to determine how to incorporate digitalization in a way that most effectively supports them in achieving their goals.



### A NOTE ON SCOPE AND TERMINOLOGY

#### Scope:

- In this report, digitalization refers to the adoption of digital tools and practices for service delivery, or the interaction between BDS organizations and their clients—not the digitization of internal processes.
- The report is intended as a strategic guide; guidance on specific technologies, cost-benefit analyses, and other technical concerns are out of scope.

#### Terminology:

- **Digitalization vs digitization:** The report uses the term digitalization, which refers to the strategic use of digital technologies, and not digitization, which refers more narrowly to encoding analog information to digital format.
- **Synchronous vs asynchronous:** Synchronous service delivery refers to services delivered in real-time (e.g., interactive workshops), while asynchronous services are accessible at any time (e.g., learn-at-your-pace materials).
- **Customers:** The term “customers” in this report refers to BDS providers’ client enterprises, not end users.

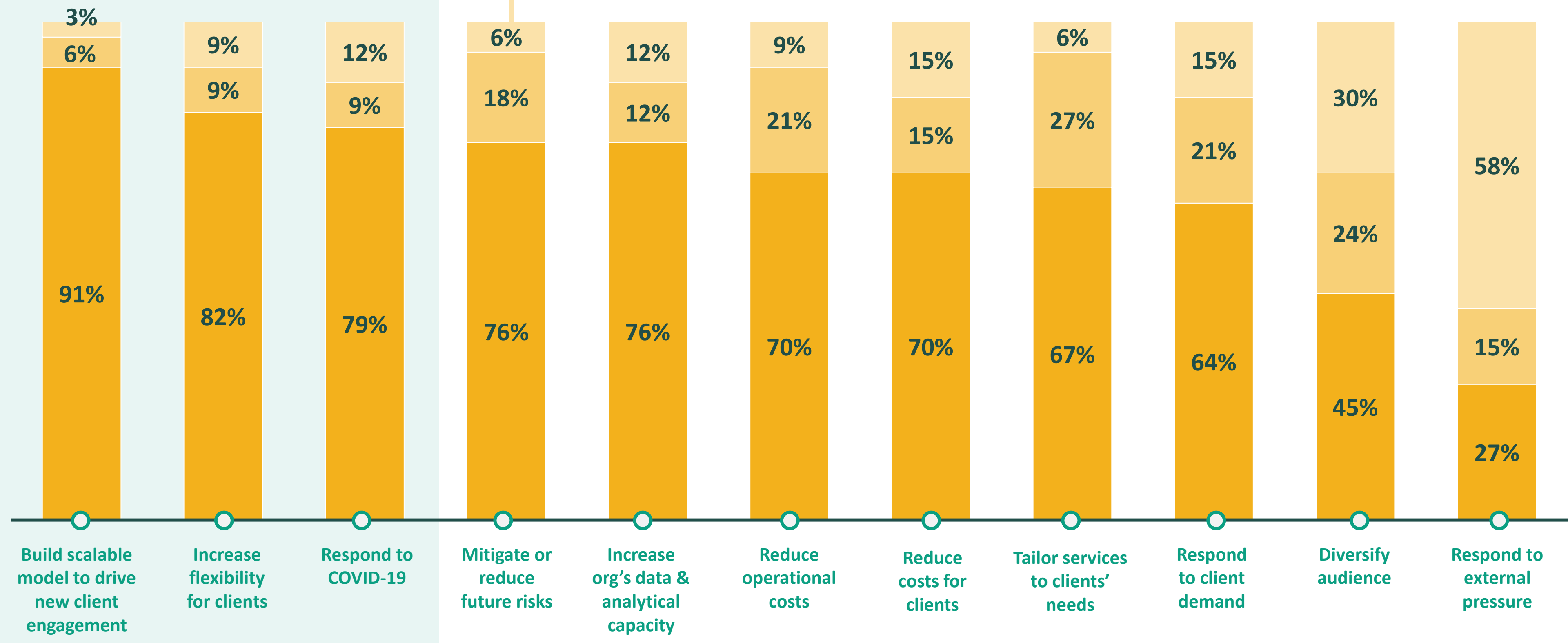
This strategic guidebook aims to support business development services providers in their diverse journeys towards digitalization

BDS providers are motivated to digitalize by various factors, with the most important ones being achieving scale, providing flexibility for clients, and responding to COVID-19

## Motivating factors for BDS providers to digitalize their services

NOT OR SLIGHTLY IMPORTANT      MODERATELY IMPORTANT      IMPORTANT OR VERY IMPORTANT

COVID-19 appears to have surfaced potential risks in relying on non-digital service delivery, motivating organizations to adopt more permanent digital practices



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Notes: Data are from responses to the survey question, "How important are the following factors as motivations for your organization's adoption of digital tools and practices?" Sources: Dalberg survey of 33 BDS organizations, Dec. 2020

COVID-19 has accelerated an existing trend and desire to more fully digitalize BDS services in the long term

## Extent of BDS offerings digitalized, current vs future

MOST OR FULLY DIGITALIZED

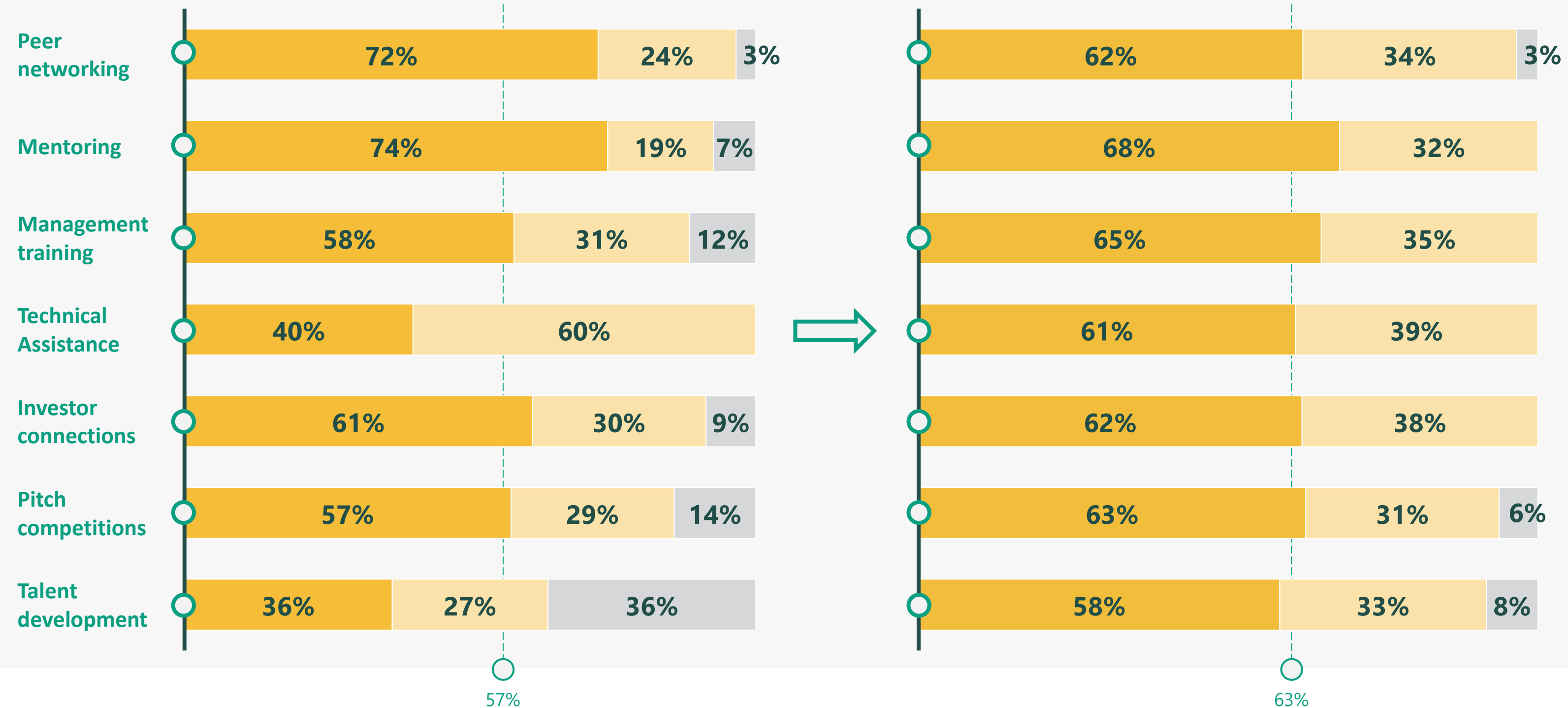
PARTIALLY DIGITALIZED

FULLY ONLINE

Digitalization has become a core component of BDS providers' offerings, which will continue to be case after COVID-19

**Current**  
% of respondents reporting the extent of their services that are digitalized as of November 2020, by service

**Future**  
% of respondents reporting the desired extent of services digitalized after January 2022, by service



BDS providers desire some services to be further digitalized in the future than they are currently, such as TA and talent development.

Other services, such as peer networking and mentoring, may not remain as digitalized post-COVID as they became during the pandemic, but digitalization will continue to be a core component of these offerings as well.

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Given aspirations for continued digitalization of services, it is more important than ever for BDS providers to determine how they can most effectively use digital technology in a post-COVID world

Sources: Dalberg survey of 33 BDS organizations, Dec. 2020



However, there is significant variation among organizations in terms of how important digitalization will be to their BDS delivery in the future

## Differences in aspirations for digitalization's role in BDS

While organizations *overall* aspire to higher digitalization levels post-pandemic versus pre-pandemic...

Average share of overall services that are digital across all survey respondents<sup>1</sup>:

In the past (Jan. 2020)

24%

During COVID-19 (Nov. 2020)

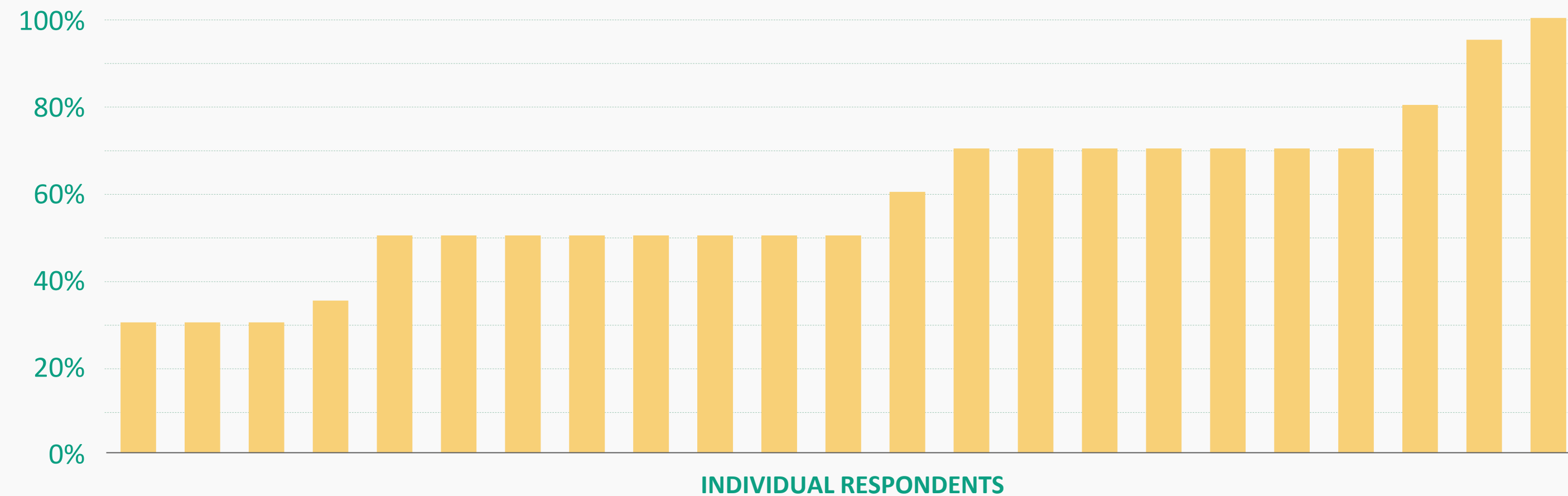
72%

In the future (Jan. 2022)

62%

...aspirations for how significant a role digitalization should play in BDS vary significantly among *individual organizations*

Individual survey responses to the question, "What share of services will be digital in the future (post Jan. 2022)?"



Range of desired share of services that are digital

100%



30%

This variation is driven largely by differences in context and strategies, suggesting that different digitalization pathways are likely appropriate for different organizations

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Notes: (1) Note that this survey question was distinct from the one on the previous page and so data cannot be compared directly. This analysis accounts for certain services (e.g., mentoring, management training) being offered more commonly than others  
Sources: Dalberg survey of 33 BDS organizations, Dec. 2020; Dalberg analysis, 2021



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## Digitalization archetypes for BDS organizations



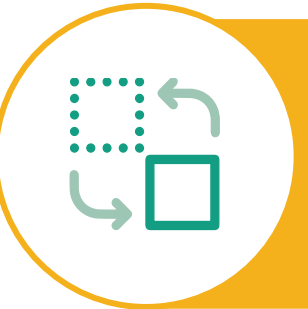
Depending on your organization's motivations and context, there are different digital pathways or "archetypes" you may consider: *Enhance, Shift, and Transform*

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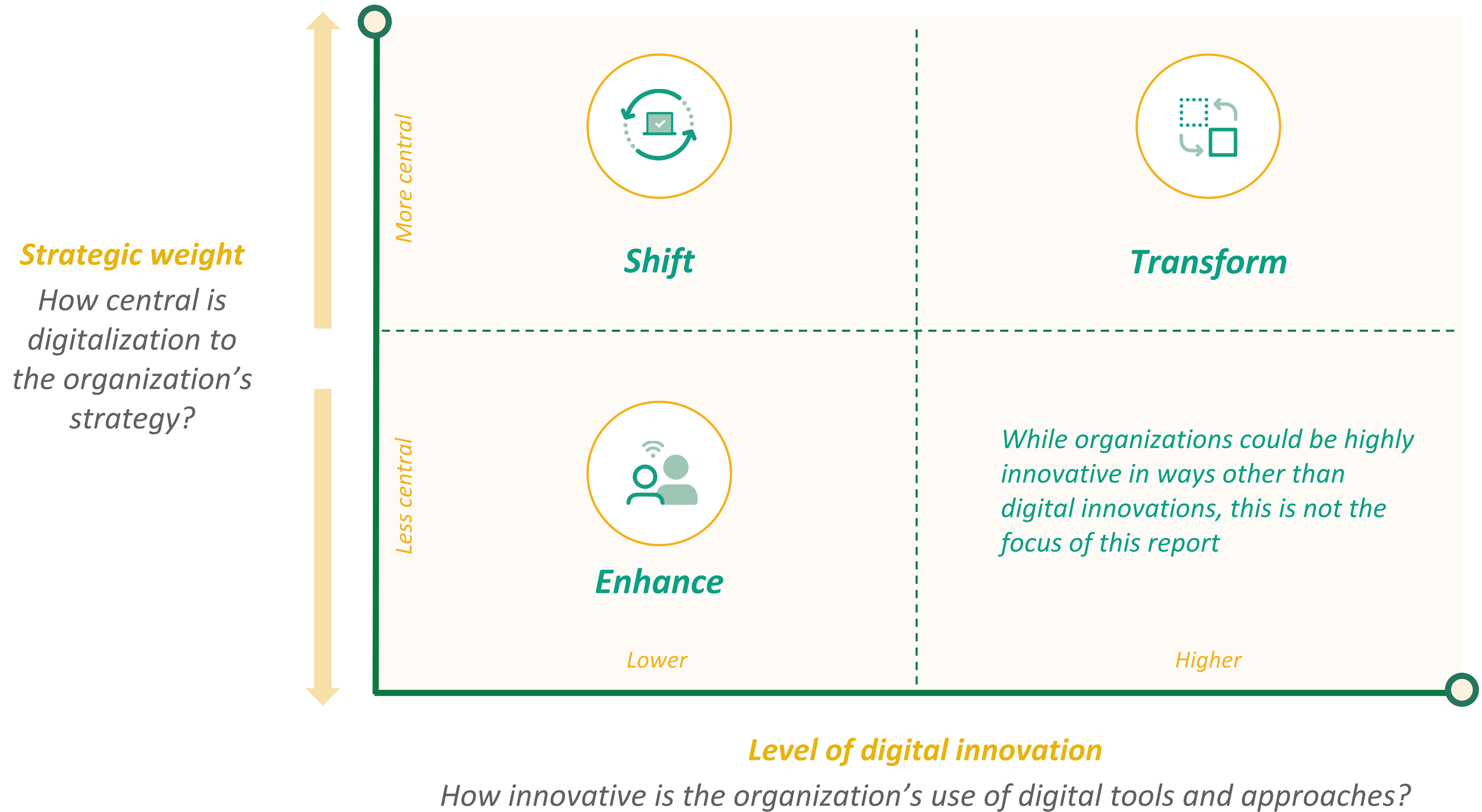
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ARCHETYPE	 <b>Enhance</b>	 <b>Shift</b>	 <b>Transform</b>
ASPIRATION	Maintain focus on offline services but complement with online tools; digital is less central to organization's overall strategy	Move and adapt offline delivery to online channels with digital delivery as the emphasis; digital is central to organization's strategy	Reimagine service delivery by using different business models & approaches to achieve outcomes digitally; digital is central to organization's strategy
SERVICE OFFERINGS	Lower share of services are digital; offline services are complemented with synchronous and/or asynchronous online delivery	Higher share of services are digital; combines synchronous and asynchronous online tools, potentially maintaining some key offline complements	Higher share of services are digital; could combine synchronous and asynchronous online models with offline services, designed to achieve outcomes differently
APPROACH	Adopt pre-existing digital tools to support offline approaches; use existing staff to identify and adapt tools, possibly working with partners to customize them	Adopt pre-existing digital tools to deliver online services, potentially customizing them extensively; work with partners and use existing staff to design online tools and approaches	Create new digital tools and practices that could potentially be adopted by others; build in-house talent by creating technology and design teams

**No single pathway is the right one for all organizations; rather, different pathways can be more effective for helping different organizations achieve their goals**

These archetypes are distinguished by two key features: the strategic weight of digitalization and the level of digital innovation

## Archetype mapping based on two distinguishing features (*illustrative*)



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# Enhance: Why might you *Enhance* and what could this mean for your service delivery?

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## Profile of *Enhance* archetype



### ENHANCE

*Enhance* organizations deliver client value through a core offline service model supplemented by digital tools and practices, which are adopted for reasons such as improving efficiency of service delivery, but which are not central to the organizational strategy and business model.

### SERVICE OFFERINGS

#### Share of services digitalized:

- *Enhance* organizations maintain a higher share of services offline but use digital tools and practices to supplement offerings, such as by creating efficiencies in their interactions with businesses (e.g., digital reporting) or reinforcing knowledge learned in person (e.g., training videos or workshops to supplement in-person sessions)

#### Delivery model characteristics:

- The primary delivery model is face-to-face, while digital delivery may be synchronous (e.g., replaces some in-person sessions with live online sessions) or asynchronous (e.g., complements interactive in-person with self-paced digital resources)

### WHY MIGHT YOUR ORGANIZATION CHOOSE TO ENHANCE?

#### Illustrative reasons your organization might *Enhance* could include:

- Clients lack digital literacy or access to digital infrastructure
- The organization's primary service offerings lend themselves to more hands-on or in-person interactions (e.g., networking events, showcases, etc.), but offering some digital services provides efficiencies through cost or time savings for clients and organization
- The organization operates locally, with travel time cost negligible

Sources: Stakeholder interviews, 2020; Dalberg analysis, 2021



### SPOTLIGHT: SINAPIS

sinapis

- **Overview:** Sinapis is a global community that provides entrepreneurs with professional and spiritual training, coaching, advisory, and networking. It moved almost all its services online during COVID-19.
- **Service offerings:** Sinapis plans to focus on an offline delivery model after the pandemic, with online and hybrid options for clients unable to join physical classes or who live outside Sinapis hub cities.
- **Why Enhance?** In-person interaction enables Sinapis to more effectively foster cohort-based collaboration, particularly given its unique focus on topics related to leadership, faith, and integrity in addition to technical subject matter. Supplemental online services enable them to increase their reach to customers in cities where they lack physical locations.



### SPOTLIGHT: BALLOON VENTURES

balloon  
VENTURES

- **Overview:** Balloon Ventures invests in and provides technical assistance to high-potential small businesses in Kenya and Uganda.
- **Service offerings:** Services are primarily delivered in person and are supplemented by digital tools, such as financial management tools and operational checklists.
- **Why Enhance?** Balloon Venture's clients are generally not technologically-advanced and some have limited access to ICT infrastructure, making continued offline support important. At the same time, supplemental digital tools increase the efficiency of their interactions with businesses, enabling them to better identify key areas for improvement as well as dedicate more time and resources to their core in-person capacity-building support.



# Shift: Why might you *Shift* and what could this mean for your service delivery?

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## Profile of *Shift* archetype



### SHIFT

*Shift* organizations have a strategic focus on using online digital channels to deliver services. This may be complemented with targeted offline service components, though digital delivery is the emphasis.

### SERVICE OFFERINGS

#### Share of services digitalized:

- *Shift* organizations have a higher share of services online, potentially using offline services for targeted interactions, such as those that are more difficult to adapt to online settings (e.g., complex problem solving and collaboration or sessions cultivating personal relationship- and trust-building among peers)

#### Delivery model characteristics:

- Online delivery is often synchronous (e.g., real-time online sessions on Zoom) with asynchronous components (e.g., recorded videos or assessments to complement synchronous learning)

### WHY MIGHT YOUR ORGANIZATION CHOOSE TO *SHIFT*?

#### Illustrative reasons your organization might *Shift* could include:

- Increasing scale and access is central to organization's strategy
- Online delivery offers more value given organization's client base (e.g., clients are in hard-to-reach locations, resulting in significant time and cost savings from online services)
- The organization's primary service offerings can be feasibly adapted to be just as or more effective online as offline

Sources: Stakeholder interviews, 2020; Dalberg analysis, 2021



### SPOTLIGHT: THE DO SCHOOL



- **Overview:** The DO School is a global organization that supports businesses and social entrepreneurs. COVID-19 accelerated their digitalization plans that had been in development pre-pandemic.
- **Service offerings:** Post-COVID-19, workshops will be offered primarily online, with supplementary offline experiences.
- **Why *Shift*?** The DO School has found the online focus offers a greater advantage of scale, inclusivity, and access for their global client base. They will complement this with targeted offline experiences where serendipitous relationship-building cannot be easily replicated online (e.g., certain workshops or networking events), but intend to be more deliberate about the length and purpose of offline offerings than they had been prior to COVID-19.



### SPOTLIGHT: SOMO AFRICA



- **Overview:** Somo Africa is a business accelerator that supports social entrepreneurs working to transform low-income communities. They provide resources including business training, funding, market access, and tailored advising & mentorship.
- **Service offerings:** Prior to COVID-19, Somo delivered most services offline but was also developing digital tools, such as audio lessons and gamified lessons via SMS and Whatsapp. The pandemic forced services online, which Somo will maintain with select offline sessions.
- **Why *Shift*?** Somo saw indications of improved learning outcomes from frequent short online sessions (1-hour daily Zoom classes instead of full-day weekly in-person classes). Entrepreneurs considered more digestible and so Somo will continue this, with in-person classes for the most highly interactive sessions.

# Transform: Why might you *Transform* and what could this mean for your service delivery?

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## Profile of *Transform* archetype



### TRANSFORM

*Transform* organizations have a digital-centric strategy and highly innovative business models, approaches, and tools for digital delivery. Their more extensive in-house capabilities and resources enables them to create their own technology platforms or products.

### SERVICE OFFERINGS

#### Share of services digitalized:

- *Transform* organizations develop innovative service delivery models digitally, incorporating offline elements where in-person delivery can add additional value. Innovative digital business model examples include proprietary online learning journeys that adapt with machine learning to personalize entrepreneurs' digital experience

#### Delivery model characteristics:

- The primary delivery model is online, and could combine synchronous (e.g., online mentoring or networking) and asynchronous (e.g., customizable learning journeys or gamified learning) components

### WHY MIGHT YOUR ORGANIZATION CHOOSE TO *TRANSFORM*?

#### Illustrative reasons your organization might *Transform* could include:

- Achieving scale and/or network effects is integral to organization's value proposition
- Organization sees opportunity to address inefficiencies or gaps in the landscape through a digitally-native approach
- The organization's business and financial model rely upon owning technological IP or having access to 'big data' insights

Sources: Stakeholder interviews, 2020; Dalberg analysis, 2021



### SPOTLIGHT: AFRICAN MANAGEMENT INSTITUTE



- **Overview:** AMI enables ambitious businesses across Africa to thrive through practical tools and training.
- **Service offerings:** AMI built its own digital platform and content delivery application through which businesses can access a customized learning journey with downloadable tools and content, alongside interactive workshops or webinars.
- **Why *Transform*?** AMI's vision was always to build a scalable digital-first model across Africa. Its business model has enabled it to scale through its own services and via licensing arrangements where intermediaries can use and customize AMI's web and mobile apps, training content, and methodologies.



### SPOTLIGHT: BRIDGE FOR BILLIONS



- **Overview:** Bridge for Billions is a social enterprise that builds, designs, and manages entrepreneurship programs worldwide.
- **Service offerings:** Bridge has its own program that directly targets entrepreneurs and it also builds programs for other organizations. Programs offer a personalized learning journey where each client team receives 1-to-1 mentorship, an online learning platform for teams to work on their business plan, and a life-long community of founders, mentors, and investors.
- **Why *Transform*?** The digitally-native organization was inspired by Duolingo's interactive learning-by-doing model that reaches users globally. Being 100% online, it complements its digital services with offline local community-building through local partners.





Determining the appropriate pathway for your organization depends on your own strategic considerations and what is feasible

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## Considerations for choosing an archetype

### STRATEGIC CONSIDERATIONS

- Who are your target clients and what is your strategy for serving them effectively?
- How important is offline interaction for achieving that strategy?
- What key bottlenecks have held back your organization or entrepreneurs from achieving desired outcomes?
- To what extent could digitalization help address these to improve service quality?

### FEASIBILITY CONSIDERATIONS

- What existing talent (e.g., engineering, product development) do you have to develop tools in-house?
- To what extent would you need to use and adapt pre-existing digital tools?
- How large is your available budget for digitalization?
- To what extent do you and your target client base have access to reliable ICT infrastructure?

These and other considerations can you determine both the extent to which your organization digitalizes as well as how to do so effectively

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# There are three key steps for an effective approach to digital adoption

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## Design

Determine how your **strategy** influences how you digitalize

- Understand your customers
- Define your value proposition
- Learn from the landscape



## Deliver & Refine

As you implement your approach, **measure, learn, and refine**

- Anticipate potential impacts
- Track results throughout delivery
- Iterate based on learnings

## Develop

**Develop** your digital approach

- Determine your delivery model
- Decide what to “buy” vs “build”
- Assess how your capacities influence, or are influenced by, your approach



## Determine how your **strategy** influences how you digitalize

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## What you digitalize and how you do so depends on your organization's **strategic objectives**

**There is no single approach that is appropriate for all organizations on their journey to digitalize.** Instead, the choice of what aspects of service delivery to digitalize and how to do so depends in large part on your organization's strategy, including your target customers, business model, and external context.

Specifically, your organization's digital approach should reflect an understanding of who your target customers are and their varying needs and constraints, how digitalization can best support the way you bring these customers value, and how learnings from the external landscape can influence and inspire your digital strategy.

Regardless of the digitalization approach your organization takes, it should build upon proven lessons around what is known to work for the effective support of enterprise development.<sup>1</sup>

➡ **<sup>1</sup>See Section 4 for links to helpful resources on 'what works' for enterprise development support**

# STEP 1



Your digitalization strategy should be directly influenced by your customers, your value proposition, and the external landscape

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## Step 1: Summary of key questions and actions

### A. UNDERSTAND YOUR CUSTOMERS

Questions for reflection

- Who are your target customers and what are their needs, challenges, and behaviors?
- What is their level of digital literacy and access?
- How do these considerations vary across different customer segments?

Key actions

- **Map your customer journey** with different entrepreneur segments and test with a representative set of customers

### B. DEFINE YOUR VALUE PROPOSITION

- How do you uniquely bring your customers value?
- In what ways could digitalization enhance the value you bring to clients, and in which aspects might it detract value?

- **Outline your Theory of Change** to highlight which service offerings could bolster your value proposition if digitalized

### C. LEARN FROM THE LANDSCAPE

- What external trends might impact how you deliver services?
- What are the latest learnings on effective BDS practices, digital delivery, or digital practices from other sectors that may be relevant?

- **'Design for the future'** by considering how trends and inspiration from the landscape can impact your digital strategy





CASE STUDY:

Bridge for Billions

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Bridge for Billions is a digitally-native ecosystem of programs for early-stage entrepreneurs. In addition to supporting entrepreneurs directly through its 3-month online incubation program, Bridge for Billions also supports corporate, government, university, and nonprofit partners to develop customized entrepreneurship and innovation programs.



A. Understand your customers

To ensure it designed and developed the most effective program possible, the Bridge for Billions team spent over a year conducting research on customers. This involved mapping customer journeys for entrepreneurs, mentors, and partner organizations to anticipate pain points and designing a prototype to test on hundreds of users that met Bridge’s target client profiles. *Customer journey mapping and testing early with customers* to see how they interacted with a digital prototype enabled Bridge to develop programs with a much more customer-centric design.

B. Define your value proposition

When founder Pablo Santaefemia conceptualized Bridge for Billions, he saw an opportunity for a digital program that was different from the unidirectional learning focus of traditional MOOCs.<sup>1</sup> He created an online methodology unique in the entrepreneurship space that takes entrepreneurs through a personalized incubation process with interactive online learning journeys, which include a mix of asynchronous elements such as individual problem-solving exercises and synchronous elements such as peer-to-peer and mentor sessions. This solution offered a unique value proposition because it was rooted in an *understanding of the problems and pain points that target customers experienced*, which were not being sufficiently addressed by existing options.

C. Learn from the landscape

Bridge for Billions has looked to the external landscape for insights throughout its journey, from developing its strategy to building and refining its digital platform. When it first set out to develop the platform, it assessed the existing landscape of offline incubation models globally to identify inefficiencies and gaps in these processes, from the customer’s point of view, to guide the design of its online journey. The team also *looked to adjacent sectors to understand the most cutting-edge methodologies and technologies for digital education delivery* and used Duolingo, the language-learning app, as inspiration for building their own highly interactive learn-by-doing approach.

➡ Key learnings for others are in green



Notes: (1) Massive open online courses. Sources: Stakeholder interviews, 2020; Dalberg analysis, 2021



“Before you choose a pathway, the very first thing you should start with is interviewing users, understanding customer journeys, and understanding the current landscape”

Pablo Santaefemia

CEO at Bridge for Billions





# STEP 1



## Understanding customer needs, behaviors, and constraints is important for crafting the right digital strategy

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## A. Understand your customers

Assessing your target customers' challenges, motivations, and behaviors is a key starting point for determining the right digitalization approach for your organization. This is particularly important if you serve different segments of entrepreneurs, as it may be appropriate to vary your digital approach accordingly. For example, the extent to which TechnoServe's services are digitalized varies in large part depending on the customer segments served in its different programs.

**Customer journey mapping (see next page)** is one effective technique for ensuring your approach is customer-centric and, therefore, more impactful and inclusive. This is the process of imagining how your different customers interact with your services to help you design an approach that works for all of them.

**Supplement journey mapping with direct customer feedback and testing.** Customer interviews are important for building a deeper understanding of their needs, and testing is important because there is often a difference between how customers say they will use a technology and how they actually do so.



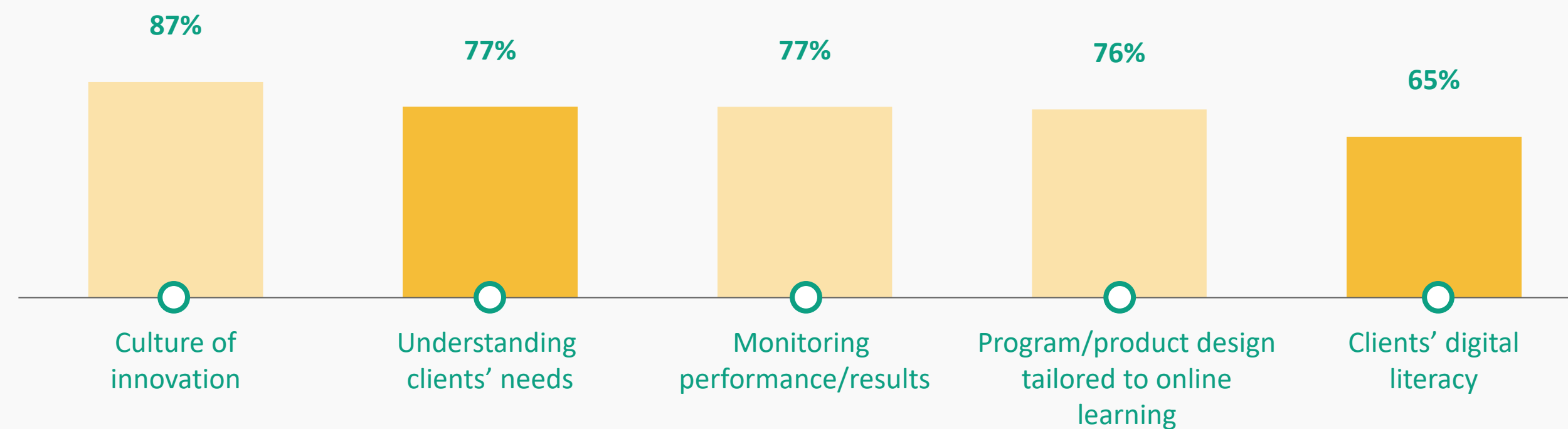
**SPOTLIGHT:**  
BALLOON VENTURES



Balloon Ventures, an organization that invests in and provides technical assistance to high-potential small businesses in Kenya and Uganda, works with many clients that have low digital literacy and limited access to ICT infrastructure. As a result, Balloon had to ensure that the *types* of digital tools and services they introduced and the *way* they were introduced were sensitive to the limitations and preferences of their clients. For example, when Balloon introduced a set of digital financial management tools for customers to use, some were willing to adopt them quickly, but others were not willing to make an upfront investment before seeing value; Balloon adapted their approach to offer these entrepreneurs tools and resources (e.g., providing laptops, buying smart phones, and purchasing data) at lower or no cost to demonstrate their value and achieve buy-in first before these clients were then willing to pay.

*"We need to understand first and foremost what our customers are excited about and willing to do"*  
Josh Bicknell, CEO, Balloon Ventures

**Top 5 essential factors for successful digitalization, according to a survey of BDS providers<sup>1</sup>**  
% of respondents rating each as 'Very important' or 'Essential'



**Understanding clients' needs and clients' digital literacy** are two of the most essential factors for successful digital adoption

Sources: (1) Dalberg survey of 33 BDS organizations, Dec. 2020; Stakeholder interviews, 2020; Dalberg analysis, 2021

# STEP 1



Customer journey mapping is an effective tactic for anticipating customer pain points to improve the design of your digital experience

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## A. Understand your customers

### Customer journey mapping

To develop customer journey maps:

- Develop a set of customer personas (fictional representations of a type of customer) based on your organization’s key customer segments; ~2-4 personas is a good start

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- For each persona, identify the main touch points between the customer and your program

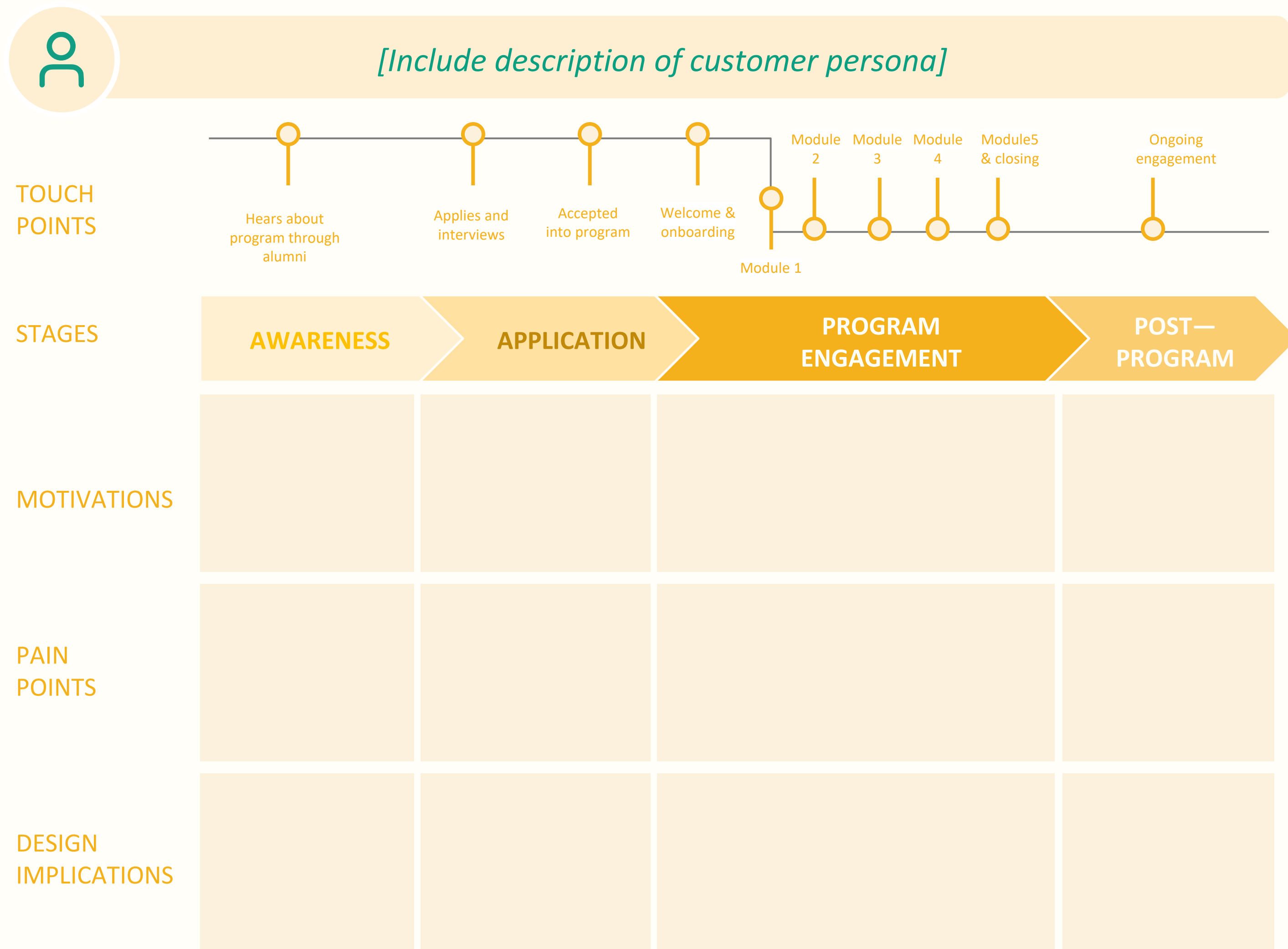
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- Imagine two journeys or pathways that each persona follows in their interaction with your program—one as it is currently and one as you aspire it to be in the future with the digital changes that entails. For each touchpoint, anticipate the motivations and pain points for that persona (e.g., X customer will find certain content irrelevant, Y customer will have difficulty engaging with a certain digital tool) and identify where these converge or diverge

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- Discuss and test with real customers to decide how to design your experience to best meet their needs and resolve these pain points

### Illustrative template for creating persona-based customer journey maps<sup>1</sup>



➡ See Section 4 for links to helpful resources for developing customer journey maps

Notes: (1) Customer journey maps can be much more detailed than this template and can vary in terms of the extent to which the creation of personas and journey maps are based on quantitative and qualitative data. Even in their simplest form as a theoretical exercise that is pressure tested with a set of real customers, they provide helpful guidance in improving the design of your digitalization approach. Sources: Stakeholder interviews, 2020; Dalberg analysis, 2021





## The design of your digital strategy should also tie closely to your organization's value proposition

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## B. Define your value proposition

The decisions your organization makes regarding digitalization—such as the degree to which you digitalize and which services you offer digitally versus offline—should be rooted in an understanding of your organization's unique value proposition: how does your organization uniquely serve your target customers to achieve desired outcomes and impacts? Could your organization achieve these outcomes more efficiently, effectively, or inclusively by adopting a digitally-centered strategy? Could digitalizing a targeted set of specific services enhance your value proposition?

One way to deliberately link decision-making related to these types of strategic questions with your value proposition is by mapping your organization's Theory of Change to unpack how your ability to achieve desired impacts might be affected positively or negatively by different levels of digitalization, and more specifically, which activities lend themselves best to digitalization and which should remain offline.



### SPOTLIGHT: EVABLIS



Enabilis Senegal, the Senegal chapter of a global BDS provider, defined its core value proposition as being heavily rooted in its ability to help entrepreneurs create connections via greater access to peer networks, partners, and markets. COVID-19 prompted Enabilis Senegal to adapt to new emerging needs of its entrepreneurs; it digitalized aspects of its services to address these needs but recognized that to remain relevant into the future it would need to adapt even further. It created a new social enterprise, EVA, which launched a digital networking, capacity-building, and peer support platform for entrepreneurs called Evabilis which enables it to continue serving member entrepreneurs while expanding its reach internationally, all while staying true to its core value proposition of supporting promising entrepreneurs across Africa with network-building and peer support.



### SPOTLIGHT: TECHNOSERVE



TechnoServe, a global nonprofit working to help enterprising people in the developing world lift themselves out of poverty, has a portfolio of entrepreneurship development programs that accelerate the growth of micro and SGBs. Several years ago, when TechnoServe began considering using digital approaches for some of these programs, their starting point was to unpack their Theory of Change to determine which aspects to digitalize first based on which would enable them to increase their value and impact potential for clients. They started with aspects that had the clearest potential to work well digitally, such as some introductory trainings. After seeing the successful digital transition of these components, the advances in effectiveness of remote education, and the adoption of technology by target users, they are working now to fully digitalize their SGB support.



*“It’s important to be strategic about technology, and not to use it just for the sake of using it. When we set out to explore digitalization several years ago, we said that if it can help us achieve our main objective then we will use it; but if it can’t, then we won’t.”*

*Juan Carlos Thomas,  
Director of Entrepreneurship,  
TechnoServe*



**Additionally, it should reflect an awareness of trends and lessons from the broader landscape, including other sectors**

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## C. Understand the landscape

In addition to internal strategic considerations around customers and value, your digitalization strategy will inevitably be influenced by external trends and pressures, with the COVID-19 pandemic as the most obvious recent example of how a shifting landscape can dramatically impact service delivery. Even in more ordinary times, organizations that want to stay relevant must adapt to external influences, such as competitive or client pressures.

Learning from the landscape means examining how broader trends could present challenges and opportunities for your organization’s future strategy and market positioning, and designing your digitalization approach with these in mind. “Designing for the future”, as illustrated in the exercise below, can help prompt reflection on the potential implications of trends on digital BDS delivery.

Learning from the landscape also means looking to other sectors for tactical learnings for how to do things differently with digital offerings, especially given that outcomes data on digital BDS delivery are yet to be established. The latest evidence-based insights from the online education sector is directly relevant to BDS providers offering management training, for example; digital education research shows people learn and process information in different ways and speeds, making it important to share transcripts, chat logs, videos, and images for people to download and review on their own time.<sup>1</sup> On the next page and throughout this report, you will find examples of insights relevant to BDS digitalization from organizations in other sectors.

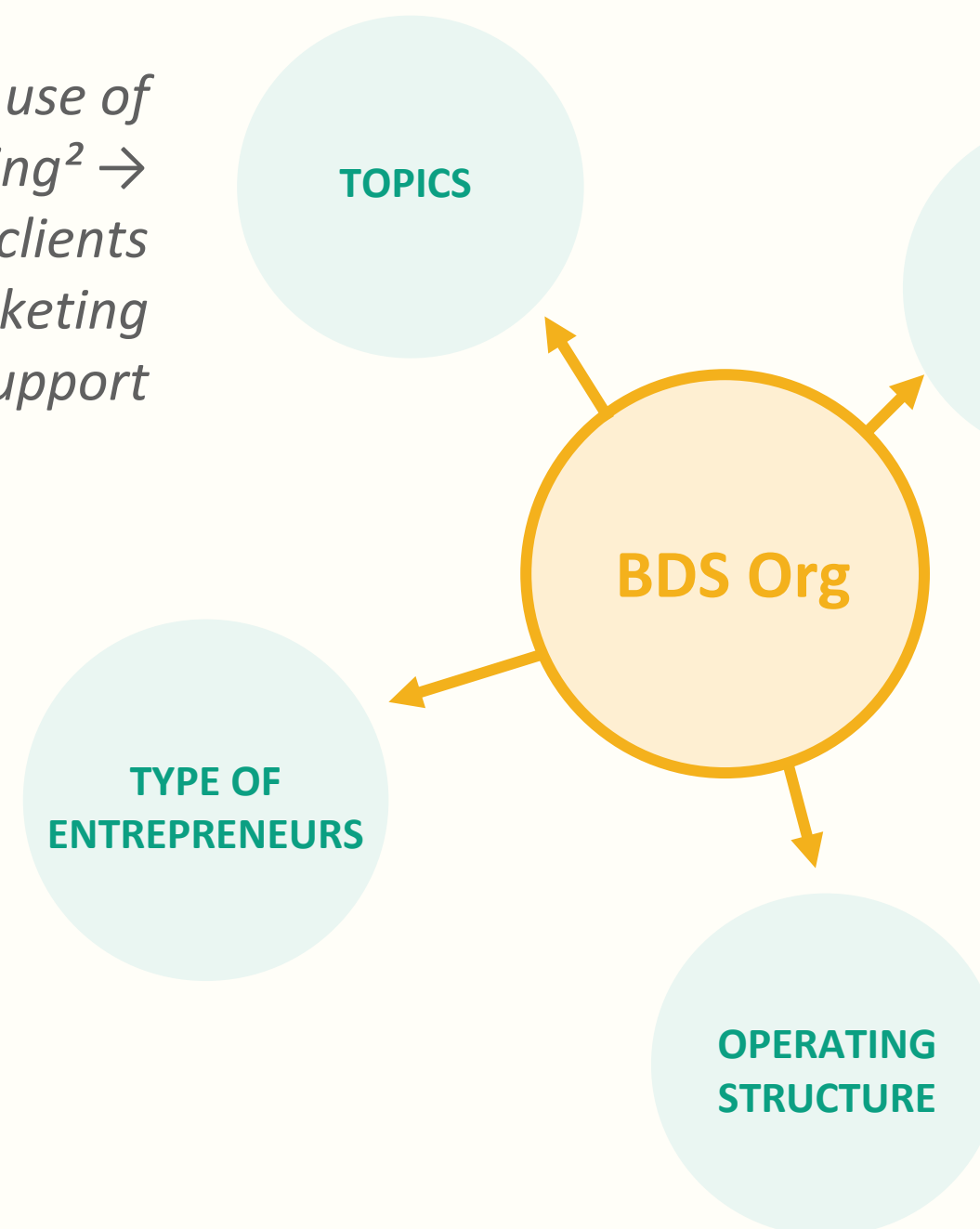
### ILLUSTRATIVE

#### Design for the Future

To ‘future proof’ your digital strategy, reflect upon how trends in the broader landscape are affecting BDS: what are key trends and what implications might they have on your digital and overall strategy? While some trends are global in nature, others might be geographic-specific. To the right is an illustrative example of how trends in BDS could impact your approach.

*Example: Growing use of digital marketing<sup>2</sup> → increased demand by clients for digital marketing modules and support*

*Example: Growing population of youth entrepreneurs<sup>4</sup> → heightened familiarity with and demand for digital tools among BDS client base*



*Example: Increasing demand for support accessing global markets<sup>3</sup> → growing need for BDS orgs to build global networks, which digital tools can facilitate*

*Example: BDS orgs have operations that are increasingly geog. distributed<sup>5</sup> → greater need for digital coordination of internal mgmt. and communications*

Sources: 1. Harvard University, “Best Practices: Online Pedagogy”; 2. ANDE, “What should we take into account when promoting the digital transformation of small businesses in Latin America?”, 2020; Morningstar, “Digital Ad Spending Poised for Exceptional Growth”, 2020; 3. ANDE, “A Roadmap for the Small and Growing Business (SGB) Sector”, 2019; 4. United Nations, “World Youth Report”, 2018; 5. Forbes, “The Future of Work is Distributed. Here’s How Your Company Can Strategize,” 2019; Stakeholder interviews, 2020; Dalberg analysis, 2021





## Learning from the Landscape: How to influence customer behavior change digitally

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## C. Understand the landscape



Throughout this section of the guidebook, you will see case studies like the one below profiling digital organizations in other sectors, capturing success factors and insights that present opportunities for BDS providers to do things differently as they digitalize

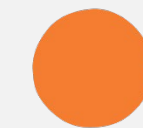
### LEARNING FROM THE LANDSCAPE:



+ a suite of health and fitness apps



a meditation and sleep app



headspace

a meditation and mindfulness app



### Key insight for BDS providers: Influencing customer behavior change digitally

- **Gamify engagement.** Digital platforms increasingly use gamification, a proven technique for influencing behavior change.<sup>1</sup> For example, Nike+, one of the first apps to do this, lets users track their running progress and compete against their own personal records and other runners. One technique for keeping customers motivated in scenarios where progress appears slow or is hard to measure is to use “run-streaks”; apps like Headspace and Calm gamify engagement by noting how many days in a row a user engaged, which go back to zero if the streak is broken.
- **Link the digital experience to real social communities.** Making a digital experience social helps to create a sense of accountability among users and motivates them more than they would be if they were on an isolated personal journey, particularly when immediate progress is hard to see. Headspace, for example, does this through a buddy system, and Nike Run Club encourages users to share achievement with friends or other users who in turn offer encouragement.

### Other success factors for digital delivery

- **Make engagement as simple as possible.** Making it easy for customers to quickly engage is important for avoiding drop-off. Nike Training Club and Nike Run Club streamline interfaces to make it simple for users to choose a program or workout, helping them to get started quickly. Calm and Headspace organize their interfaces with a few simple categories: meditate, sleep, and music.
- **Personalize engagement.** Personalization is important to ensure that users, each of which has unique goals and preferences, receive the experience they want. Nike+ apps personalize workout recommendations and programs depending on users’ attributes and goals and use data that is collected ongoing to inform training plans. Calm orients its content for each user depending on their primary goals and reasons for joining.
- **Flexible internal digital tools:** The digital landscape changes rapidly, making it important for digital organizations to adopt internal tools and platforms that are flexible over time. For example, Headspace and other digital-native organizations make sure the tools and platforms they adopt internally have formats that are easily transferrable to other platforms, have a strong track record of creating plugins for new tools as they emerge, and allow data exports (some technology platforms are designed to make customers “stuck”, so exportability is key).

# STEP 1



Strategic considerations vary by archetype, with *Transform* business models requiring more intensive early testing and cross-sectoral learnings

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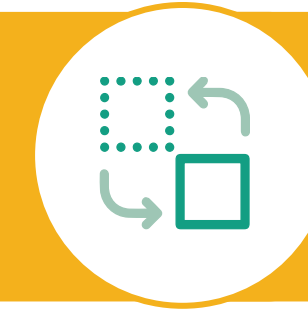
## Step 1: Key considerations by archetype



Enhance



Shift



Transform

### A. Understand your customers

Consider customers' level of comfort with and use of technology in determining whether to *Enhance* or *Shift*. In a recent survey, *Shift* organizations rated clients' digital literacy among the top three essential factors in enabling success<sup>1</sup>; without strong levels of digital literacy among customers, maintaining an offline strategic focus (*Enhance*) would likely have been more appropriate for these organizations

Supplementing research with user testing to ensure a deep understanding of target customers is most critical for *Transform* organizations given the intensive investment required in building digital tools from scratch

### B. Define your value proposition

Since *Enhance* organizations are centered more on offline delivery, decision-making around which services to digitalize will be guided largely by **considerations of incremental benefits of digitalization** (e.g., efficiencies, engagement) versus costs

For an organization to *Shift*, on the other hand, it needs to determine that its **core value proposition would be maintained or strengthened by having digital services at the center** of its strategy

*Transform* organizations must determine that their **value proposition is driven by an innovative digital business model** in order to warrant the significant investments required for building in-house capabilities and assets

### C. Learn from the landscape

While *Enhance* organizations have a smaller strategic emphasis on digitalization, **they must be flexible to adjust quickly to external demands** and remain relevant amidst an increasingly digital BDS landscape

Given the centrality of digitalization to their strategies, *Shift* organizations should especially **look to sector learnings and inspiration for the various elements of their online services**, from broader lessons on community-building to tactical tips on video creation

Given their in-house development capacities, *Transform* organizations have the largest opportunity to innovate digital BDS processes by **learning from the latest cutting-edge technologies used in adjacent sectors**, such as digital education or interactive mobile apps in other fields, to design and refine their products



**Building on What Works:** See Section 4 of this guidebook for links to resources with key lessons on effective enterprise support, which should serve as the foundation for any digitalization strategy your organization develops regardless of archetype

Sources: (1) Dalberg survey of 33 BDS organizations, Dec. 2020; Dalberg analysis, 2021





## Develop your digital approach

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## Developing your digitalization strategy involves design decisions as well as tactical choices

One major design decision is determining *which* aspects of your services to digitalize and *how* these online offerings will be delivered. This decision should be guided by your customer journey and core competencies today, with an eye to the horizon to imagine how trends might impact your value proposition and market positioning in the future. Regardless of your delivery model, make sure your program design reflects what we know works for effective enterprise development: a focus on problem-solving, time for entrepreneurs to work on their own, and peer-to-peer interaction.<sup>1</sup>

You also need to decide the extent to which you will rely mostly on using off-the-shelf technologies to weave together your service delivery (“buy”) or develop your own technologies in house (“build”). This decision is both *influenced by* and *influences* your internal organizational capacities including human and financial assets, ICT infrastructure, and processes.

Making these decisions prudently is no small task; BDS providers that have done so successfully emphasize the importance of dedicating the proper resources, such as a working group of people with both technological savvy and a strong strategic mindset and who can subsequently help onboard the rest of your organization.

Sources: (1) Argidius Foundation, “Research: Lessons from the Global Accelerator Learning Initiative (GALI)” and “5 lessons to SCALE effective enterprise development: A summary of what works”; Dalberg analysis, 2021



Designing your digital approach includes tactical decisions around delivery model and what you buy vs. build, which are influenced by your capacities

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### A. DETERMINE YOUR DELIVERY MODEL

### B. DECIDE WHAT YOU "BUY" VS "BUILD"

### C. ASSESS & BUILD YOUR INTERNAL CAPACITIES

Questions for reflection

- How central is digitalization and digital innovation to your long-term strategy?\*
- Which aspects of your services will you deliver digitally, and which will you deliver offline?
- What delivery model will you use for each online offering (i.e., synchronous, asynchronous, mix)?

- What kinds of tools or platforms will your digital delivery model need to be effective?
- Will you rely mostly on using off-the-shelf digital tools and platforms to weave together these services, or rely on building from scratch?

- How developed is your ICT infrastructure?
- What human resources can lead the effort to digitalize and/or develop digital tools?
- What is your budget and financial model?
- What processes do you have to guide digitalization decision-making, roll-out, and management?
- How do these capacities affect your delivery model and build vs buy decision?

Key actions

- ☐ **Map out your business support journey** and identify which elements to have online and offline, and the delivery model for the online elements

- ☐ **Determine whether to rely more on buying or building** based on availability of existing offerings, your strategy, and your internal capacities

- ☐ **Compare requirements of your planned digital approach with current internal capacities** to determine how you may need to adjust and what capacity gaps you may need to fill to digitalize effectively

\*This consideration is tied to which archetype your organization aspires to: Enhance, Shift, or Transform





CASE STUDY:

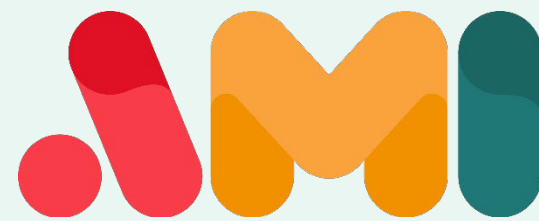
African Management Institute (AMI)

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African Management Institute

African Management Institute (AMI) provides tailored training and tools to empower entrepreneurs and managers across Africa. AMI combines online tools with in-person workshops and on-the-job practice, organized through proprietary online web and mobile apps that guide participants through personalized journeys, emphasizing learning-by-doing.



A. Determine your delivery model

AMI’s vision from the outset was to build a scalable model for management development across the African continent, which would require a digital solution. AMI’s first iteration of its delivery model was highly digital-centric, which evolved to include some in-person workshops. Online offerings *combine both synchronous elements (e.g., peer group discussions) and asynchronous elements (e.g., downloadable tools and resources) to reinforce learnings* and create flexibility for customers.

B. Decide what to “buy” vs “build”

AMI built its online learning platform from scratch for several reasons. *One reason for building was the lack of existing “off-the-shelf” platforms available in the market* that would meet the needs of AMI’s customers and fit its unique learning methodology, which needed to i) integrate asynchronous and synchronous online learning with offline services, and ii) create a flexible learning journey that enabled entrepreneurs to practice what they learned in real time, such as by being able to search for specific tools as needed. *Another was AMI’s business model;* as a for-profit company, it was important for AMI to own intellectual property, and their financial model enabled them to invest significant resources upfront to develop the platform.

C. Assess & build internal capacities

AMI’s organizational capacities include robust human, financing, and technological resources. *These internal capacities flow from the requirements of its digital-first strategy and the need to build its own platform.* AMI raised a substantial seed round at the outset which was used to build a minimum viable product (MVP) and develop content for their platform, and they focused early HR development accordingly by hiring developers, product managers, and a user/tech support team in addition to content, learning design, and learning experience teams. Implementing strict data security policies was critical given the amount of data they would have from owning their platform. Additionally, AMI has feedback loops with users and ongoing customer use case planning, where they map personas’ customer journeys to continuously improve their platform design.

➡ Key learnings for others are in green

Sources: Stakeholder interviews, 2020; Dalberg analysis, 2021



“If digital drives your whole learning methodology as opposed to just pieces of it, you need to have control over your offering, which is hard if you don’t build it yourself”

Rebecca Harrison

Co-Founder and CEO at AMI



**As you develop your digital approach, you will need to determine the right delivery model for the various elements of your service offerings**

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## A. Determine your delivery model

**Your service delivery model refers to how you deliver each of your various offerings throughout the customer's journey** (digitally or not digitally, synchronously or asynchronously), and it is driven both by your customers and your value proposition. To determine your delivery model, map the various elements of your program experience alongside your customer journey and imagine how offering various aspects of that journey digitally might enhance your value proposition for customers and your positioning in the market both today and in the future. See the next page for detail on delivery model considerations.

**The delivery model you choose is not set in stone; rather, it should be tested early and often to learn what aspects to adapt** based on how your customers are interacting with your services. Examples of design choices you will want to test include whether the mix of online and offline services and the tools or platforms through which they are delivered is working well with your customers or whether they need adjusting (e.g., perhaps you learn that certain synchronous digital aspects like group workshops could be improved with complementary asynchronous elements like go-at-your-own-pace videos or exercises).



**SPOTLIGHT:  
SINAPIS**

**sinapis**

When Sinapis, a global community that provides entrepreneurs with professional and spiritual training, coaching, advisory, and networking, moved their training modules online, they mapped each part of the training to the digital delivery model most effective for that aspect of content. Additionally, Sinapis developed a learning journey that detailed how the content for the various aspects would be structured, including what asynchronous online elements would be included, such as assignments, pre-reads, and videos. They will continue to adapt this model after COVID-19 to offer different options for different customer segments (e.g., international versus local clients).



**SPOTLIGHT:  
THE DO SCHOOL**

**THE DO SCHOOL**

The DO School, a global organization that supports businesses and social entrepreneurs, developed a task force to help spearhead their digitalization effort. This included determining which aspects of their program offerings could and should be transferred to an online setting and which ones should not be. The task force was led by two younger 'digital native' staff members who researched the universe of digital tools to determine which tools could best support delivery of the organization's digital offerings and how to effectively deliver these various online elements.





Determining your delivery model includes deciding which aspects are online vs offline, and which online aspects will be delivered synchronously vs asynchronously

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## A. Determine your delivery model

Which of your service offerings will be online and which will be offline?

→ Depending on the types of services you offer, determine what aspects could improve the quality of your services by being offered digitally or reinforce offline elements



ONLINE

Creates a flexible mode of service delivery that could enable you to

- Reach a broader audience
- Reduce travel time and cost for clients
- Increase engagement for entrepreneurs that have difficulty scheduling in-person sessions into their work and personal schedule

OR



OFFLINE

Increases value of certain aspects of delivery that benefit from in-person interaction<sup>1</sup>, such as

- Building personal relationships and facilitating serendipitous connections
- Delivering content that lends itself to more complex group problem-solving (e.g., highly interactive ideation sessions)
- Providing certain types of services (e.g., consulting or TA where the advisor visits the entrepreneur’s business)

How will each of your online service offerings be delivered?

→ Your overall suite of online service offerings can blend both synchronous and asynchronous components, which can mutually reinforce each other



SYNCHRONOUS

Synchronous delivery (service delivery that happens in real time) is generally preferred for aspects that

- Require active group or one-on-one interaction, which can be facilitated through online brainstorming tools
- Benefit from peer learning and accountability, by enabling peers to give and receive feedback and hold each other accountable to meeting objectives
- Facilitate trust and community-building, especially when sessions can be constrained to smaller group sizes (~20 participants, with even smaller breakout groups)

OR



ASYNCHRONOUS

Asynchronous delivery (service delivery that happens at the customer’s own pace) is beneficial for:

- Enabling entrepreneurs to more flexibly integrate BDS into their professional and personal lives
- Supplementing synchronous delivery to reinforce learning, such as through pre-/post-reads<sup>2</sup>, videos, and recordings of sessions that can be listened to again later
- Enabling entrepreneurs to focus on independently thinking through problems and applying knowledge in his or her own business

Notes: (1) For organizations with clients that do not have high digital literacy of access to ICT infrastructure, offline delivery may be required for most interactions (2) Recent research by the Global Accelerator Learning Initiative (GALI) shows the positive impact of a ‘flipped curriculum’ that allows entrepreneurs more time to work on their own on a particular issue that is relevant to them outside of classroom-based study. Sources: Argidius Foundation and ANDE, “Research: Lessons from the GALI”; Stakeholder interviews, 2020; Dalberg analysis, 2021



## Learning from the Landscape: How to use asynchronous methodologies to reinforce knowledge

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## A. Determine your delivery model

### LEARNING FROM THE LANDSCAPE:



*a language learning platform and app*



#### Key insight for BDS providers: Using asynchronous delivery to reinforce knowledge

- **Creating a customer journey:** Memrise's language learning modules are sequenced in a way that brings customers along a journey that introduces new content along the way, and which gamifies learning by allowing learners to pick a daily goal and reach various levels of accomplishment.
- **Revisiting previously-learned concepts:** While the user journey in any given language track is pre-defined, it also has the functionality for users to revisit previously-introduced concepts and lessons at moments most relevant for them (e.g., when they need to use certain vocabulary in a real-life situation), which reinforces learning through action and practice.
- **Reinforcing learning through assessments:** Additionally, quizzes throughout the journey tests users on previously-learned concepts instead of only concepts in their current module as a way to gently reinforce content that learners may have forgotten.

#### Other success factors for digital delivery

- **Early application:** A key aspect of Memrise's approach is to get users applying their learning as quickly as possible because "people trust learning only when they can act upon it".
- **Simplicity and interactivity:** Memrise simplifies everything in the app as much as possible by keeping content in bite-size pieces and short modules. It fosters a highly interactive experience by having users speaking their new language from the very beginning and using frequent testing as a method for users to receive ongoing feedback.
- **Downloadability:** Courses are downloadable so users can keep learning and practicing when not connected to the internet.
- **Community:** Memrise is cultivating its communities of users across different languages, recognizing that communities are an important element of digital learning because they demystify the perspective of other learners, make the experience more fun, and create a sense of mutual accountability.





You will need to decide what digital tools and platforms can support your online offerings and whether you “buy” or “build” them

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## B. Determine what to “buy” vs “build”

Whether you digitalize part or all of your service offerings, a key decision you will need to make is whether you “buy”<sup>1</sup> existing digital tools and platforms off-the-shelf options or “build” your own to suit your specific needs to create your online experience.

There are many commercially-available tools and platforms you can use to weave together an online service delivery package that can be highly effective for achieving your desired learning outcomes without “reinventing the wheel”. The video communications platform Zoom is an example of one tool that has become ubiquitous during COVID-19, and there are many others that serve specific functions (see Section 4).

However, relying exclusively on off-the-shelf tools and platforms may not be sufficient for some organizations that need more customization to achieve desired outcomes. These organizations may seek to adopt and adapt existing platforms, while others may create their own entirely customized platform by building it in-house from scratch.

The decision around what to buy versus build is highly influenced by your organization’s internal capacities, along with your strategic goals and aspirations. It should be informed by a deliberate consideration of costs, benefits, and tradeoffs, and is ideally led by a dedicated task force that can assess different options and solicit input from partners.



SPOTLIGHT:  
AMANI INSTITUTE



AMANI  
INSTITUTE

Amani Institute, which develops professionals and organizations who create social impact, relied primarily on “buying” to develop their online experience because it was more suitable to their internal capacities and strategy, and there were already pre-existing tools that effectively met their needs. For example, they use several fit-for-purpose digital tools such as Zoom, Canvas, Canva, Miro and Stormboard for various online service delivery functions; Slack for internal communication; Salesforce as their main coordination platform, which they customized; and Zapier to integrate data collection across tools (e.g., Google Forms and Salesforce).



“Building your own digital tools and platforms is appealing because you get exactly what you want, but the initial investment can be very high and if you don’t have real technology expertise in-house, then it is quite likely you will not develop the right solution. However, if you buy off-the-shelf, you need to be able to make tradeoffs because you likely won’t get every feature from your wish list.”

Petr Skvaril, Global Partnerships & Programs Director, Impact Hub



“Deciding to ‘build’ or ‘buy’ is not easy to figure out, especially if you do not have internal tech expertise. In our case, we consulted with two tech experts to get unbiased opinions and recommendations. We also selected a technology provider who showed high flexibility in adapting the platform to our needs.”

Katherin Kirschenmann, Founder and Chief Program Officer, The DO School

Notes: (1) The term “buy” as referred to here means adopting “off-the-shelf” commercially-available tools or platforms as opposed to building such tools or platforms from the ground up, and does not necessarily require actual outlay of financial resources (i.e., many widely-available digital tools are free to use)

Sources: Stakeholder interviews, 2020; Dalberg analysis, 2021

# STEP 2



To weave together your digital experience, you can rely more on buying or building technologies, or fall somewhere in the middle

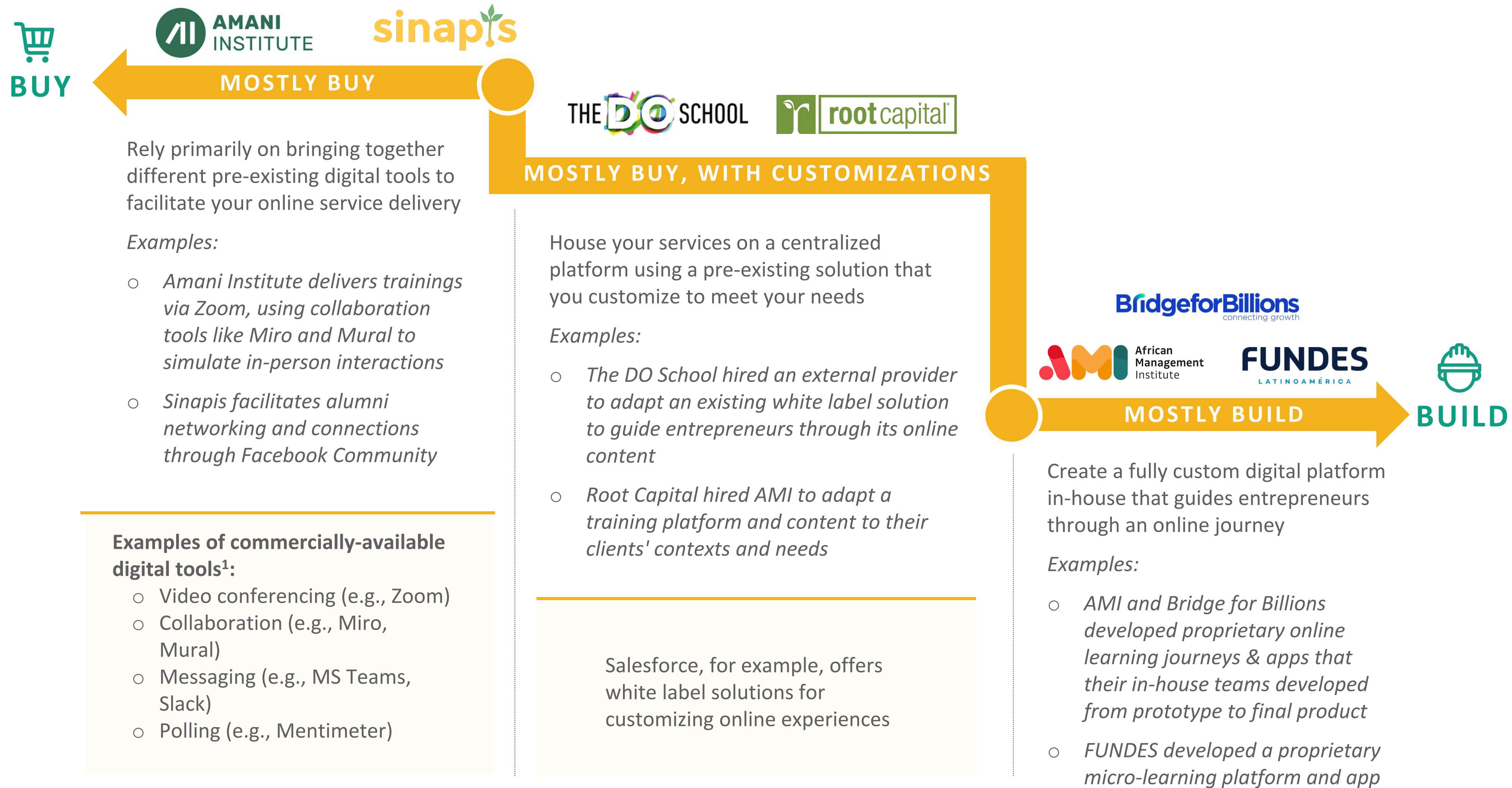
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## B. Determine what to “buy” vs “build”



Note: Other buy vs build decisions related to digital tools/platforms aside from those used for external interaction/service delivery include platforms you use for internal management, such as CRM, Knowledge Management, and M&E systems. Given the scope of this report focuses on digitalization of service delivery and not internal operations, these considerations are not included here, but the extent to which platforms for these purposes are customized or built from scratch in-house also are influenced strongly by your organization’s internal capacities as outlined in the previous section. (1) These tools are used by organizations across the spectrum above, including those that build their own customized platforms. Sources: Stakeholder interviews, 2020; Dalberg analysis, 2021



# STEP 2



You can determine whether to buy or build based on considerations related to the availability of existing offerings, your strategy, and your internal capacities

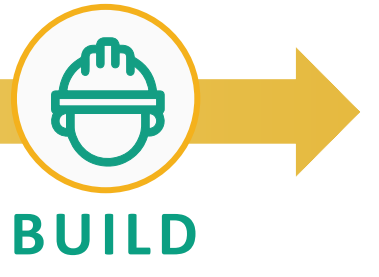
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## B. Determine what to “buy” vs “build”



### Considerations that influence your buy vs. build decision

Are there existing technologies that sufficiently meet your needs?

If there are existing technology platforms and tools that you can adopt and use off-the-shelf or customize to serve your customers as you need to, then you can avoid “reinventing the wheel” and buy

If there are not existing technology platforms or tools that fit your needs and enable you to implement your specific methodology, you may need to build

How important is digitalization do your long-term strategy?

If digitalization is a piece of your strategy but not central to it, then it is likely harder to justify the generally greater upfront financial investment and lead time of building, making buying preferable

If digitalization and digital innovation are central to your long-term strategic ambition, then you may choose to buy, with the higher upfront costs and lag time justified by your long-term needs

How much control and customization do you need over your digital offering?

If there is no intrinsic strategic need for you to own your own software or achieve a highly bespoke level of customization, then buying (and perhaps making some customizations) is more likely to suit your needs

If you need greater control over your offering (i.e., owning software, extensive tailoring to customers) over the long term, which is more likely if digital is core to your strategy and business model, you are more likely to need to build

What are the constraints or demands of your business and financial model?

If your financial model restricts you from making significant upfront investments (more common for nonprofits), then you may opt to buy and pay ongoing licensing fees instead

If your financial model enables you to invest significant funds upfront (more common for for-profits) and if owning IP is key to the viability of your business model, you have a greater ability and need to build

How extensive are your internal human and ICT capacities?

If your organization has limited human resources for the development and maintenance of custom platforms/tools (e.g., software developers, product managers, designers), then you may need to buy

If you have, or can develop, robust human resources and ICT infrastructure for the development and maintenance of a custom platform, you have a greater ability to build (see next page for more details on internal capacities)

Strategic considerations with strong interlinkages

Sources: Stakeholder interviews, 2020; Dalberg analysis, 2021



Successful implementation of your digital approach depends on the right set of internal capacities: ICT infrastructure, processes, and human & financial assets

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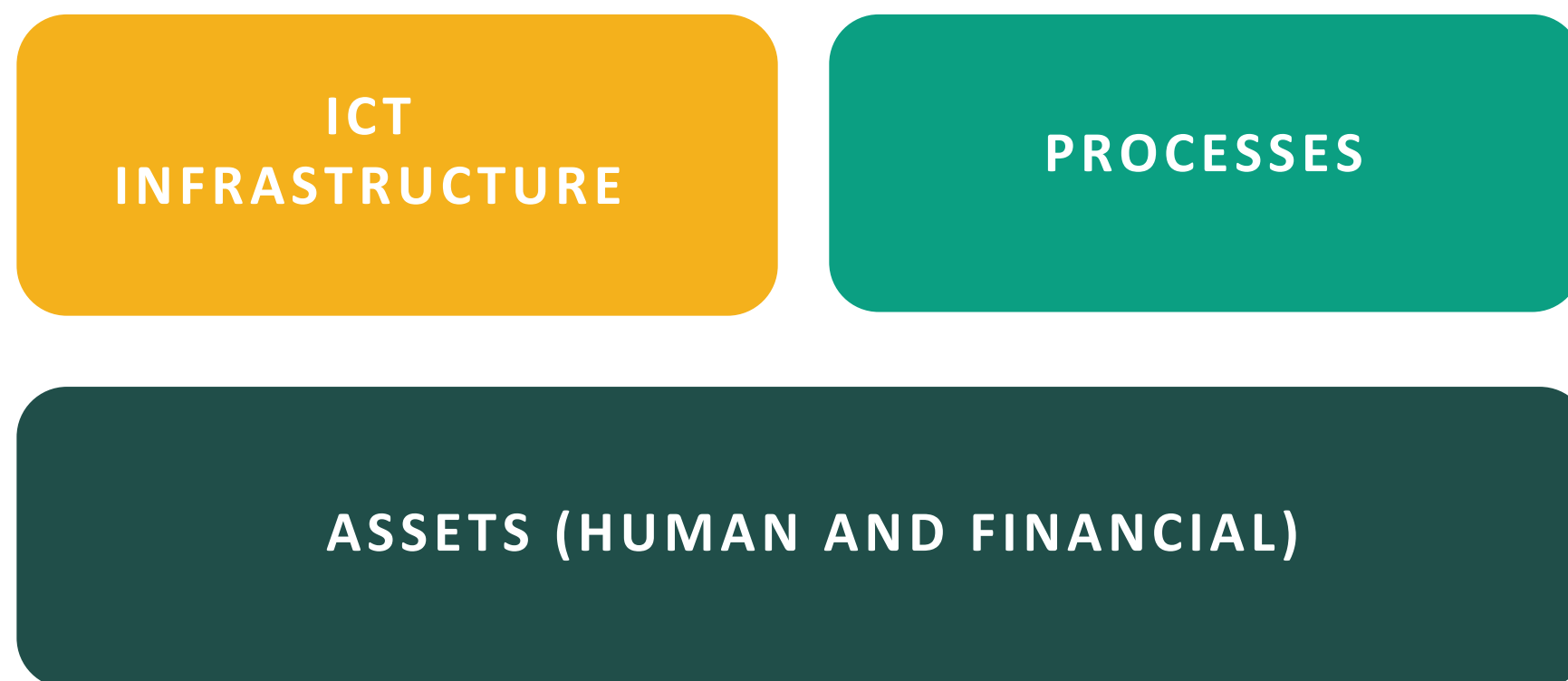
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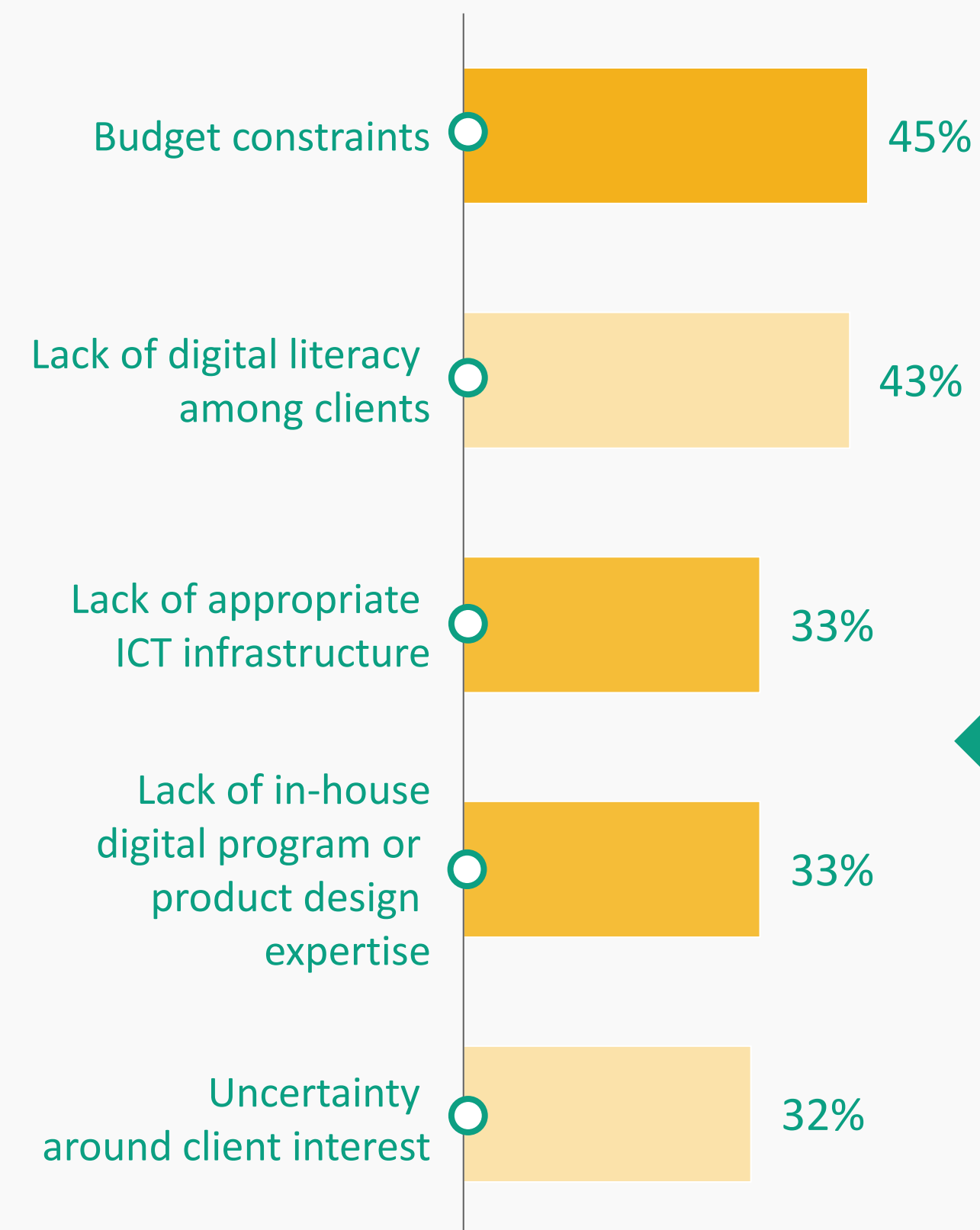
C. Assess & build your organizational capacities

Taking stock of your organization’s current capacities and assessing them against what you need in order to accomplish your strategic goals helps you both to determine the most appropriate digitalization path forward based on what is feasible, as well as to identify gaps that you will need to either build up internally or outsource from external resources.

This entails assessing your **human and financial assets** (the people who understand what needs to be done and how to do it, and the budget to enable the level of digitalization you seek to achieve), **processes** (the means by which you move from idea through delivery to support digital offerings), and **ICT infrastructure** (the technology to support your processes and digital offerings), which together need to coherently align to ensure a strong operational backbone for achieving the level of digitalization to which your organization aspires.



Top 5 digitalization challenges for BDS providers<sup>1</sup>  
% rating each as significant or very significant challenge



Financial & human assets and ICT infrastructure are common constraints that can determine what digitalization approaches are feasible and what gaps need to be filled to implement them effectively

Sources: (1) Dalberg survey of 33 BDS organizations, Dec. 2020; Stakeholder interviews, 2020; Dalberg analysis, 2021





**Taking stock of each of these pillars can help you determine which path is feasible and what capacities you need to build to carry out your desired strategy**

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## C. Assess & build your organizational capacities

### ICT INFRASTRUCTURE

**ICT infrastructure refers to the technology to support your processes and digital offerings.** The more important digitalization is to your strategy, the more robust technological infrastructure may be required. This can range from simple digital tools that you use to interact with customers, to more sophisticated platforms and backend infrastructure for data storage, data sharing, and security.

*What digital technologies do you currently use for program delivery, and how developed is your internal infrastructure to support your external-facing activities? What gaps are there between the technologies you use currently and what you need to effectively carry out your digital strategy?*

### PROCESSES

**Processes are the means by which you move from idea through delivery to support digital offerings.** During COVID-19, many organizations were forced to quickly convert to digital offerings without time to establish a strategic process guiding their implementation. These organizations will benefit from clear processes to guide decision-making in the future around what new technologies to adopt and how to adapt and improve the content, structure, and approach of online services.

*What practices do you have in place to introduce changes to your digitalization strategy, gather customer insights for online services, share digitalization learnings and data across staff, and other key processes?*

### ASSETS (HUMAN AND FINANCIAL)

The more central digitalization is to your strategy, the more human and financial assets need to be devoted to the design and delivery of digital offerings.

#### Human assets

**Human assets refer to the people who understand what needs to be done and how to do it.** You need people to lead the digital strategy process and people with the right skills to develop and deliver the actual digital offerings.

*Who will manage your digitalization strategy (e.g., determine what to digitalize and how, and ensure broader organizational adoption)? What is the level of skill and bandwidth of the people who can build digital tools (e.g., developers) and deliver digital offerings (e.g., facilitators)?*

#### Financial assets

**Financial assets refer to the budget to enable the level of digitalization you seek to achieve.** Budget constraints are a top challenge for digitalization efforts and can be a determining factor for the complexity of your strategy.

*What is your organization's financial model? Where do your financial resources for digitalization come from, and how does that influence what you will be able to develop or purchase or whom you can hire? If you need to make a large investment, what are potential funding sources?*



Digital approaches vary by archetype, with *Transform* organizations most likely to build digital tools and platforms, enabled by the necessary organizational capacities

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Step 2: Key considerations by archetype



Enhance



Shift



Transform

A. Determine your delivery model

Delivery models will depend on the organization’s own competencies and customers; online offerings are more central to *Shift* and *Transform* organizations, which in most cases use a combination of synchronous and asynchronous channels.

B. Decide what you “buy” vs “build”

- **Enhance organizations** are more likely to use pre-existing digital tools and platforms for online aspects of service delivery, both because of limited internal capacity for building solutions from scratch, and the cost of doing so likely outweighs the benefit given digitalization is less central to their strategy.
- **Shift organizations** also lack significant in-house resourcing for developing and maintaining digital platforms and tools, but may **customize commercially-available tools and platforms** more than *Enhance* organizations given the strategic importance of digital delivery.
- **Transform organizations’** value proposition is centered around the innovation of their digital offerings, which most likely will entail **building proprietary platforms and/or tools**. This relies upon extensive internal capacities related to ICT infrastructure, budget, and human resources including engineers, developers, and designers.

C. Assess & build your internal capacities

- Like other organizations, *Enhance* organizations need **dedicated resources to understand the types and use cases of digital tools** and platforms that will best support their services.
- However, they are **more likely to outsource discrete technical needs** to partners rather than using significant in-house resources to develop or customize technologies.
- **Shift organizations need more in-house human resources** given the centrality of digitalization to their operations and strategy, requiring a larger budget which can be a significant constraint.<sup>1</sup> For example, they will need to dedicate more staff resources to adapting the content and structure of business trainings for effective digital delivery and may need other in-house expertise such as video design and recording skills, depending on services digitalized and their delivery models.
- More in-depth customization of digital platforms is likely to be outsourced.
- **Transform organizations require more complex ICT infrastructure**, such as software for front- and back-end development and strict data security policies given their access to and ownership over larger amounts of data via their proprietary platforms.
- **They require much more robust human resources** to develop and maintain in-house digital tools and platforms (e.g., developers, product managers, designers) and **financing** to hire the necessary talent and support more advanced ICT infrastructure needs.

Note: (1) In a recent survey of BDS organizations, those categorized as Shift were more likely to report budget constraints as being a significant challenge to digitalization; Enhance organizations have lower budget needs, while Transform organizations have the greatest budget needs but tend to have more deliberately dedicated resources for digitalization from the outset. Source: Dalberg analysis, 2021



## Measure, learn, and refine

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As you implement your digitalization strategy, **measure** and **learn** from results to continually **refine** your approach

**Digitalization is an ongoing process.** Similar to how entrepreneurs are encouraged to create learning loops to continually test and learn from feedback to improve their businesses, BDS providers will achieve greater results by having an iterative and learning-based approach to digital adoption.

As you implement your digitalization strategy, you should be collecting and tracking key quantitative and qualitative information and use it to iterate on your delivery model, digital tools, and approaches. In anticipation of this, think through potential impacts, and when you track key metrics, pay attention to where results are converging and diverging with your expectations or goals to be able to pinpoint areas to refine moving forward.





Effective digital adoption requires anticipating impacts and then measuring them to continuously learn and refine

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### A. ANTICIPATE POTENTIAL IMPACTS

### B. MEASURE AND TRACK RESULTS

### C. LEARN AND ITERATE

Questions for reflection

- What are the potential risks, tradeoffs, and impacts of your digital approach on your organization and customers?
- How can you mitigate against potential unintended pitfalls or negative consequences?

- What KPIs will you track to assess the effectiveness of digital delivery?
- How might you need to collect metrics differently from data collection for offline services?

- How are the outcomes and impacts aligning with your expectations?
- What aspects of your business model, practices, or tools can be adjusted to improve outcomes?
- How can your organization strengthen a culture of learning and innovation?

Key actions

- ☐ **Anticipate what potential pitfalls and negative impacts** your service delivery model may have, and what steps can mitigate risks from the outset

- ☐ **Identify what new KPIs to track** and how, based on what digital tools and platforms you use
- ☐ **Collect direct customer feedback** to interpret data and track important outcome metrics that cannot be tracked digitally

- ☐ **Adopt a consistent process for analyzing and reflecting** on data you collect to guide iteration
- ☐ **Identify ways to further cultivate a culture** that encourages learning and innovation

Sources: Dalberg analysis, 2021



## CASE STUDY:

## FUNDES

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# FUNDES

LATINOAMÉRICA

*FUNDES is a consultancy that promotes development of micro, small, and medium-sized enterprises in Latin America through capacity-building. At the urging of two corporate clients, FUNDES set out to find a scalable digital solution to serving more MSMEs at a lower cost, creating a set of digital learning solutions in house which continue to evolve over time.*



## A. Anticipate potential impacts

In its early stages of digitalizing, FUNDES faced common pitfalls that other organizations can learn from. One lesson was *the importance of building an MVP to test early*, which it learned after spending significant time developing its first online platform. Another learning was *the importance of having team members with tech savvy and a strategic mindset to lead the digitalization process*, after having difficult experiences with ineffective vendors and suppliers.

## B. Measure and track results

After rolling out its first digital learning solutions, FUNDES *collected user engagement data through its own platforms and social media platforms, such as Facebook, which they used for fostering engagement*. The FUNDES team saw they were not gaining as much traction and organic growth as they had anticipated, which deeper investigation showed was partly because the long session format of the e-learning solutions did not work well for the time-constrained retail micro-entrepreneurs targeted. Further testing also revealed that engagement levels were lower than expected because mass outreach efforts were drawing in entrepreneurs that were not their target profile, so content was either too easy or too difficult for many.

## C. Learn and iterate

To increase growth and engagement, FUNDES refined its approach by adapting both its digital solutions as well as its outreach and delivery strategy to target specific customer segments. They pivoted from long-form e-learning solutions to offering micro-learning solutions available in both their own app, EntreRedes, as well as through Whatsapp, which break content into shorter segments. They also *streamlined areas of their digital journey where they saw highest levels of drop-off*. For outreach efforts, they adapted to work through different partners that have existing relationships with certain segments of entrepreneurs to *personalize outreach and build early trust and engagement*.



➡ Key learnings for others are in green

Sources: Stakeholder interviews, 2020; Dalberg analysis, 2021

”

“We did not initially use an MVP or lean startup approach, and that would have been useful to make sure the product we were developing fit with the demand in the market.”

Corentin Larue

Director of Growth at FUNDES





## Anticipating potential impacts before delivery will help you take steps to avoid pitfalls and be more conscious of what to measure and track

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## A. Anticipate potential impacts

In preparation of delivery, taking time to carefully think through potential impacts will prepare you for more effective delivery and make you more conscious of the metrics you track throughout. While it is important to consider potential impacts your unique organization may experience, there are several common negative impacts that many BDS providers have faced in digitalizing that have reduced the effectiveness of their services.

Some important potential negative impacts include decreased levels of engagement, trust, and relationship-building among entrepreneurs, their peers, and the BDS organization. Facilitating engagement and trust-building always requires active effort, but it is even harder to do digitally, making it even more critical to be intentional about it.

Other potential negative consequences include unintentionally leaving behind certain customers; achieving worse learning outcomes due to not sufficiently adapting services to the different ways people learn online; or conversely, focusing too much on the medium (e.g., technological considerations) at the expense of quality service delivery and proven lessons on “what works” for effective enterprise development.



### SPOTLIGHT: MOWGLI MENTORING



Mowgli Mentoring, which supports the leadership development of MSMEs through mentoring, anticipated that online delivery could make it even more difficult to cultivate trust-building, which is critical for effective mentorship. They have intentionally adopted various tactics to address this, such as building in time and space for the program team and participants to develop trust and peer relationships throughout, starting with a pre-program awareness session. Mowgli Mentoring also has alumni that refer peers to participate; the alumni candidly share with their friends that they will need to step out of their comfort zone in the program, which sets an expectation for them to openly participate, share experiences, and learn together from the outset.



### 7 TIPS FOR BUILDING TRUST AND ENGAGEMENT ONLINE

- 1. Create touch points early and often:** Start building your relationship with entrepreneurs during the application phase and have a dedicated “familiar face” from your organization checking in frequently throughout the program
- 2. Set expectations:** Entrepreneurs should know they will be expected to openly share experiences; program alumni can help set this expectation that “the more you give, the more you get”
- 3. Model vulnerability:** Facilitators and mentors can set an example for participants by sharing their own stories and experiences first and continue doing so throughout the program
- 4. Elevate champions:** In the early trust-building stages, call on participants who are naturally more open to be leaders in sharing their experiences to encourage others to be comfortable to join
- 5. Protect confidentiality:** Participants should not feel forced to share; establish confidentiality codes at the program’s outset and structure groups so firms share some characteristics, but avoid having direct competitors in the same cohort<sup>1</sup>
- 6. Emphasize peer learning:** Facilitators should seek to facilitate peer-driven discussions and avoid giving feedback that a contribution is “right” or “wrong”
- 7. Keep group sizes small:** It is even more important digitally to maintain small cohort sizes (<25 participants) to encourage active participation, and to break into even smaller groups as much as possible



# STEP 3



**Common pitfalls include unintentionally excluding certain customers, not adapting delivery sufficiently, and focusing too much on tech at the expense of learning**

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## A. Anticipate potential impacts

### COMMON PITFALLS

**Excluding certain demographics:** While digital delivery can broaden your reach, it can also exclude certain entrepreneurs for reasons such as lack of digital literacy or comfort with certain technologies, and other factors

**Not sufficiently adapting your digital services:** Merely moving what you do offline to online (e.g., replicating the same approach for an in-person workshop on Zoom) can result in worse outcomes because it does not account for the different ways people engage digitally

**Losing focus on what works for effective enterprise development:** While key principles of effective learning (e.g., learning-by-doing, peer-to-peer learning) are the same online as in-person, there can be a tendency when digitalizing to focus too much on the medium at the expense of effective pedagogy (e.g., replacing most interactive opportunities with recorded videos)

### MITIGATING STEPS

❑ **Speak with different customer segments** to understand whether changes in your mix of offerings might disadvantage some groups and what technologies they are comfortable using. Adapt your approach based on what you learn, and test early to measure any differences in engagement that can reveal tweaks you need to make to digital tools or delivery model.

❑ **Adapt the structure and delivery of your digital offering** to account for differences in how customers interact online versus in person. For example:

❑ **Break sessions into shorter increments** to avoid “Zoom fatigue” and because attention spans are shorter online than in person.

❑ **Train facilitators** for online delivery, which requires putting even more effort into engaging participants through questions and activities, since the dynamic nature of in-person interactions can get lost.

❑ **Blend different modes of delivery.** Just as an in-person program comprised mainly of lectures is unlikely to produce optimal learning outcomes, an online program comprised mainly of videos will be similarly unengaging and ineffective. Avoid the mistake of mimicking the worst of offline learning, instead using digitalization as an opportunity to improve the effectiveness of your existing services by finding ways to enhance personalization and feedback mechanisms and blend peer-learning and network-building with individual problem-solving opportunities.

*Tips for interacting with entrepreneurs with limited reliable technology access:*

- Use WhatsApp for interacting with entrepreneurs as it is widely used, free, and accessible by mobile.
- Ensure content is downloadable so entrepreneurs can download when they have stable connection and continue to reference it when they do not.

*“A trap we fell into when we launched FUNDES digital was limiting ourselves to doing the same thing we’ve been doing, just digitally.”*

- Corentin Larue, FUNDES

*“We feel strongly about not making the mistake of mimicking the worst of offline learning. Too often, traditional e-learning mimics that chalk-and-talk approach of just pushing content.”*

- Rebecca Harrison, AMI



## Learning from the Landscape: How to adapt services for effective online delivery

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## A. Anticipate potential impacts

### LEARNING FROM THE LANDSCAPE

**LinkedIn Learning** *a website offering video courses taught by industry experts*

**Udemy** *an online learning and teaching marketplace*



#### Key insight for BDS providers: How to adapt services for a better online experience<sup>1</sup>

- **Creating effective videos:** Extensive testing by LinkedIn Learning on video design has revealed five proven design elements of effective and engaging training videos: (i) clearly stating learning objectives upfront; (ii) keeping lessons under five minutes and courses under two hours; (iii) ensuring each video covers only one topic and includes slides that cut away from video to enable easier editing later; (iv) having high-quality audio in addition to visuals and content; and (v) using the most engaging instructors since attention spans are shorter online.
- **Improving online instructor effectiveness:** For recorded sessions, the top-rated and most effective instructors at Udemy script their lessons (i.e., do not rely on talking points) in order to (i) streamline online lessons by forcing themselves to think more carefully about which aspects are essential and which are not; (ii) anticipate clarifying questions to minimize time on points of confusion and maximize more interactive discussion; and (iii) ensure they do not leave out any key points to avoid too much re-recording.

#### Other success factors for digital delivery

- **Offering videos as a complement:** While both LinkedIn Learning and Udemy have extensive video libraries of courses, both recognize that videos are just one tool that can and should complement a fuller suite of ways people learn. Both incorporate ways to engage learners through exercises and quizzes and encourages learners to engage through other learning channels that facilitate discussion.
- **Boosting video production capabilities:** To create effective videos from scratch, LinkedIn Learning and Udemy use video design experts including graphic designers, video editors, audio engineers, and directors, along with content experts who scope the landscape to understand different industry trends and in-demand topics to ensure newly-created content is relevant.
- **Using questions to continually refine delivery:** Udemy uses clarifying questions received on its video courses as feedback that certain content areas were not clearly or sufficiently explained, and it uses these questions to refine and improve these videos in their next iteration.

Notes: (1) As noted on the prior page, one common pitfall of digitalizing BDS is not sufficiently adapting services, including videos and online instruction.

Sources: Stakeholder interviews, 2020; Dalberg analysis, 2021





As you implement your digital approach, track results continuously to spot any emerging positive and negative outcomes early on

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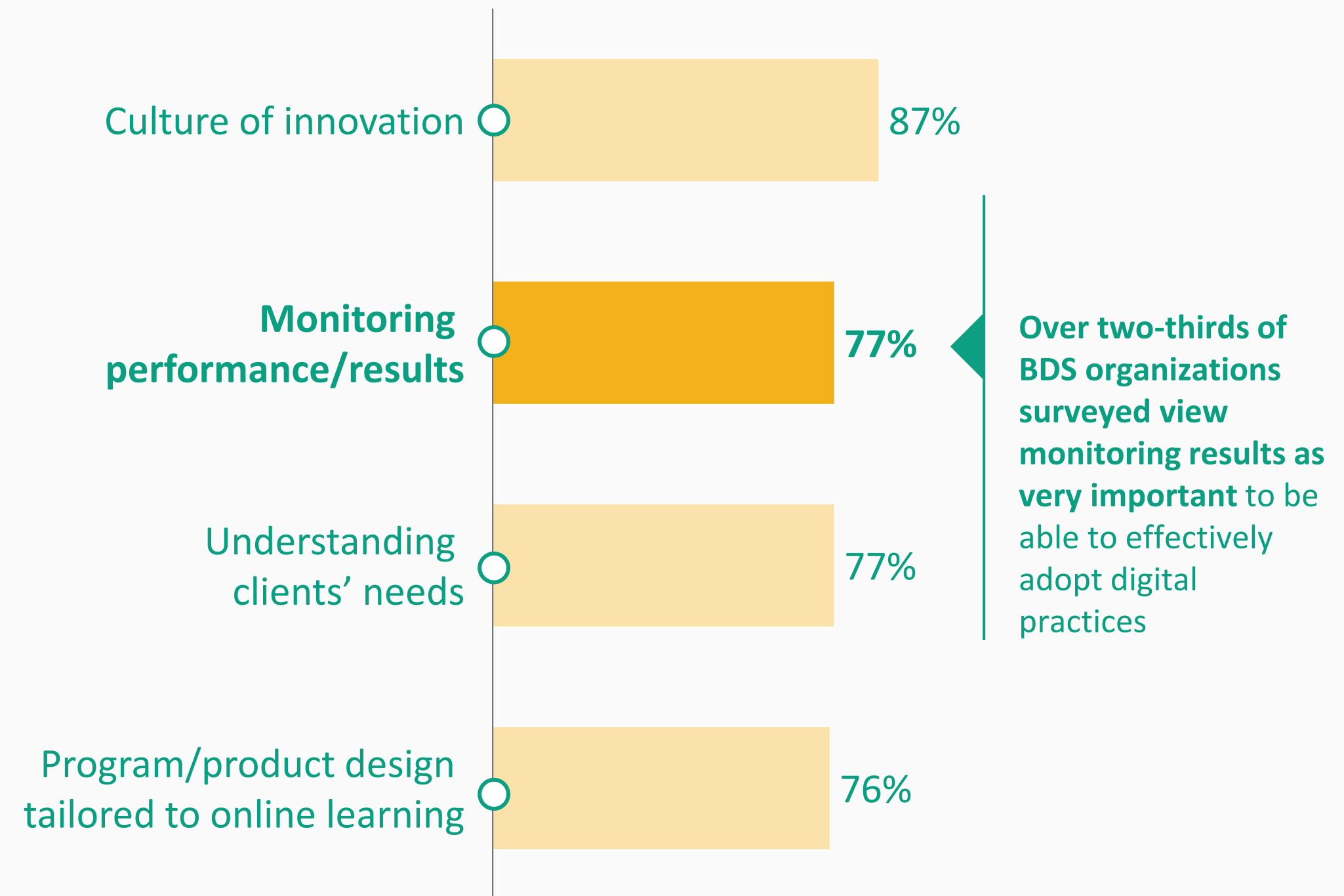
## B. Measure and track results

Measuring and tracking results provides an important opportunity for you to test anticipated impacts to learn what digital aspects to further refine. Tracking results allows you to validate or invalidate the assumptions you made while designing your digital approach, enabling you to invest more into the aspects that are working and course correct the aspects that are not. For example, if clients are consistently achieving lower assessment scores for a certain module, you can explore why (Is the online delivery not engaging enough? Is the content too complex to be delivered as effectively online as offline?) and change your approach accordingly.

Digitalization may enable you to generate a lot of data, which could require you to expand the metrics you track and the data collection methods you use. For example, if you create a video on cash flow management for your clients to view ahead of a group training module in lieu of a previously text-based resource, you now can collect data on how many people viewed it and where people dropped off, which you can use to improve delivery of this content.

However, digitalization can also make it more challenging to collect important impact metrics, and so data collection should be supplemented with direct customer feedback. Fewer offline interactions could mean fewer opportunities to gather in-person feedback and data related to enterprise performance and survival during and after the program; tracking this impact data is a key factor for effective business development support services.<sup>1</sup> As you digitalize, you may need to further systematize your non-digital data collection through surveys and interviews in order to collect impact metrics to assess the effectiveness of your overall intervention.

Top 4 essential factors for successful digitalization, according to BDS providers<sup>2</sup>  
% of respondents rating each as 'Very important' or 'Essential'



Sources: (1) Argidius Foundation, "Learning by evaluating enterprise performance creates results"; (2) Dalberg survey of 33 BDS organizations, Dec. 2020; Stakeholder interviews, 2020; Dalberg analysis, 2021





Digitalization can be leveraged for learning by expanding the amount of data you collect in real time, which can enhance your existing M&E approaches

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## B. Measure and track results

### Key steps for measuring & tracking results with digitalization

- ❑ Identify what new indicators to track based on what digital tools and platforms you are using. For example, if you are using recorded videos, you can now track data such as number of views and the average place where viewers dropped off.
- ❑ Determine which traditional indicators you can now track differently. For example, digitalization may enable you to track some metrics, like quiz scores, more efficiently than you did previously.
- ❑ Collect direct customer feedback. While digitalization can increase the types of output metrics you can track, stay focused on measuring business outcomes; this data can be collected simply through surveys and interviews. Additionally, customer conversations can help you interpret the meaning of metrics you track digitally to correctly understand what actions to take.

### Illustrative exercise for identifying key metrics to track (this list is not exhaustive)

Output & outcome variables	Indicators to track	Examples of traditional quantitative KPIs	Examples of additional KPIs tracked digitally	Additional qualitative indicators
Reach	<input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____	<ul style="list-style-type: none"> <li>○ Number of applicants/registrants</li> <li>○ Number of attendees</li> </ul>	<ul style="list-style-type: none"> <li>○ Number of views</li> <li>○ Open rate</li> </ul>	
Engagement	<input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____	<ul style="list-style-type: none"> <li>○ Attendance</li> <li>○ Retention and completion rates</li> </ul>	<ul style="list-style-type: none"> <li>○ Number of active users</li> <li>○ Number of logins</li> <li>○ Number of tool downloads</li> <li>○ User time spent on platform</li> <li>○ User ratings (e.g., for videos)</li> </ul>	<ul style="list-style-type: none"> <li>○ Level of participation in group discussions</li> <li>○ Level of networking/cohesion among cohort</li> </ul>
Learning outcomes	<input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____	<ul style="list-style-type: none"> <li>○ Assessment/quiz scores</li> </ul>		<ul style="list-style-type: none"> <li>○ Extent to which learnings are applied into the business</li> </ul>
Business outcomes	<input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____	<ul style="list-style-type: none"> <li>○ Revenue growth</li> <li>○ Profit growth</li> <li>○ Jobs created</li> <li>○ Survival rates</li> <li>○ New clients acquired</li> <li>○ Investment attracted</li> <li>○ Geographic expansion</li> </ul>		



**NOTE: Business outcome metrics are key for assessing the effectiveness of support, yet these are typically not generated digitally; digital BDS platforms and programs should be careful not to overlook them**



## Effective monitoring and evaluation requires dedicated resources and establishing ongoing feedback loops with customers

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## B. Measure and track results



### TIPS FOR EFFECTIVE M&E

- ❑ **Make giving feedback as easy as possible for your customers.** For example, having streamlined baseline, mid-line, end-line, and post-program reviews and surveys along with regular and consistent client follow-up regarding your digital services can prompt detailed and timely customer feedback about their experience, enabling you to more quickly sense what is working well and where changes are needed.
- ❑ **Have a well-organized system or database to house M&E data.** This will enable you to make greater use of the data you collect, as well as increase efficiencies in data analysis.
- ❑ **Ensure you dedicate sufficient human resources to leading your M&E process.** Organizations that expect the implementing team to also drive M&E typically have more difficulty maintaining consistent and in-depth measurement and analysis of results, given competing priorities on these team members' time.



### SPOTLIGHT: TECHNOSERVE



TechnoServe, a global nonprofit working to help enterprising people in the developing world lift themselves out of poverty, seeks to continuously generate more impact by mapping their KPIs to their Theory of Change. This has allowed them to understand what is working well and what needs to be changed along each step of their core approach. They also use randomized control trials (RCTs) as one of many parts of their learning process both to have a counterfactual for their support and for external validation to avoid bias. They will be implementing an RCT for their digital programs later this year to better understand the differences in impact of their digital versus offline services. Additionally, TechnoServe has a team that is fully dedicated to leading M&E, and management seeks to set a strong example of encouraging learning and accepting mistakes, which creates a culture of innovation that is crucial to be able to iterate and refine quickly.



*“We try to focus on collecting the most relevant information that will help us refine or validate our Theory of Change and approach. We’ve learned that entrepreneurs show a higher response rate when they learn to harness the information collected (their sales, for example) to improve their business.”*

*Juan Carlos Thomas, Global Entrepreneurship Director, TechnoServe*



*“You need a team that takes responsibility for M&E in order for it to be done consistently and well.”*

*Oscar Artiga, Global Entrepreneurship Deputy Director, TechnoServe*





The main purpose of tracking metrics is to use them to continually improve your digital approach, which requires consistent learning and reflection

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## C. Learn and iterate

To promote ongoing improvement and refinement of your digital service delivery, your organization will benefit by having a process by which your team reflects and acts on the feedback and data you collect as well as having a culture that encourages learning and growing

### *Adopting a process for learning & refining*

Having a learning process is one way to keep your organization accountable to deliberately thinking through how you can improve your digital practices. It could involve, for example, analyzing the data at the end of each program and organizing that into simple reports to discuss together to determine what refinements to test in the next iteration. Questions to guide this discussion may include:

- What's working well that we should keep doing or do more of?
- What's not working well and why? What should we do differently?
- What else can we test in our digital delivery?

### *Instilling a culture that supports learning*

Creating a culture that actively encourages learning and growing is critical because it supports innovation. This means creating an environment where people feel empowered and “safe” to propose new ideas for how you can improve or expand your use of digital technologies, and to own their implementation without fear of repercussion if anticipated outcomes are not achieved.

The management team sets the tone for the rest of the organization, and so if they make it clear innovation and experimentation is valued (so long as it is accompanied by learning and improvement), then teams become more inclined to take ownership over testing new digital approaches that can make service delivery even more effective.



SPOTLIGHT:  
ROOT CAPITAL



Root Capital, an organization that invests in the growth of agricultural enterprises in rural communities, moved their services online during the pandemic and had to iterate quickly and often in order to ensure they maintained the effectiveness of their offline services. As they tested and tracked results of their new online impact advisory approach, they learned that efficiencies decreased during their typical two-hour mentorship meetings; mentors and entrepreneurs were not able to cover as much content effectively during the meetings, while the preparation time required by mentors increased. As a result, they changed their approach to incorporate materials and assignments for clients to work on outside of meeting hours in order to make the real-time advisory hours more efficient.

”

*“Curiosity and willingness to learn and adapt quickly are critical. This includes learning from others in your organization – our India team first implemented our online Leadership for Growth trainings and shared their learnings with other teams globally, so that we could adapt our trainings”*

*Stephanie Haase, Global Program Manager, Amani Institute*





## Learning from the Landscape: How to collect and learn from data to inform ongoing iteration

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## C. Learn and iterate

### LEARNING FROM THE LANDSCAPE



a learning platform with online courses



### Key insight for BDS providers: Collecting and learning from data to iterate and improve

- **Tracking metrics digitally:** Digital platforms including Khan Academy, Bridge, and Coursera, automatically track a range of quantitative metrics like retention, usage, and completion, to keep a pulse on the effectiveness of various digital offerings. Khan Academy also collects and analyzes video comments that point out errors or areas of confusion, as well as YouTube video analytics that track metrics such as like-to-dislike ratio, number of views, and comments.
- **Gathering direct customer feedback:** However, it is equally if not more important to focus on data related to outcomes, such as individual learning outcomes, which typically requires gathering feedback directly from customers through interviews, focus groups, and surveys. Bridge gathers such feedback to understand how users are performing in relation to their goals and the extent to which users engage in content that is not required of them, which it uses to improve the personalized learning pathways. Khan Academy gathers direct feedback on more qualitative elements such as teacher instruction effectiveness.
- **Defining key outcome metrics:** Coursera defines and tracks objectives and outcomes using an OKR (objectives and key results) goal-setting framework to ensure they “measure what matters”—all KPIs they measure directly relate to these overall goals and are reviewed regularly.<sup>1</sup>

### Other success factors for digital delivery

- **Facilitating peer learning:** Bridge enables peer learning by allowing users to record themselves performing tasks and posting for others to provide feedback. This allows learners to view best practice videos and also generates pointed feedback from those proficient in that task.
- **Customizing learning pathways:** Bridge allows users to choose personalized learning objectives which improves engagement by increasing the relevance of the material to the user. These learning pathways include checkpoints to assess whether the learner is understanding the content.
- **Testing fast and early:** Both Khan Academy and Bridge have tested imperfect versions of their products and services on users early to learn and iterate quickly. Importantly, not every single piece of customer feedback is taken into account; each organization needs to decide which pieces of feedback can be addressed through changes that fit within their vision, and which do not.

# STEP 3



While some M&E considerations vary somewhat by archetype, all archetypes should have clear learning mechanisms in place to continuously iterate and improve

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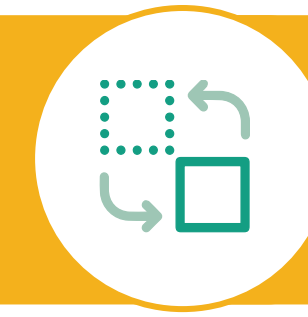
## Step 3: Key considerations by archetype



Enhance



Shift



Transform

### A. Anticipate potential impacts

- *Enhance* organizations may have less established capacities for digitalization which may make it **more difficult to sufficiently adapt digital offerings** for the best learning outcomes, and so should take steps to mitigate against this accordingly
- **Shift** organizations in particular should be aware of **potentially excluding certain customer groups** because of their greater emphasis on digital services
- As *Transform* organizations build their products or platforms, **testing a prototype and MVP before developing the full product** can be an opportunity to mitigate against unintended negative impacts because it offers the ability to gather feedback much more quickly

### B. Collect key metrics

- *Enhance* organizations will continue to rely heavily on **traditional data collection methods**, such as interviews and surveys, which they can supplement with any additional metrics collected through digital tools and platforms
- **Shift and Transform** organizations are more likely to have access to a large amount of data, possibly requiring greater analytical capabilities to understand and dissect in different ways, which can help organizations iterate in real time
- **However, technology can also create gaps in collecting outcome and impact data**, both because there may be fewer opportunities to gather in-person feedback through offline interactions and because vast amounts of digitally-generated data could distract from the most meaningful impact data, such as that related to enterprise performance and survival
- **It may also be more difficult to assess other offline metrics**, such as how clients interact with digital materials that they download to use offline, making it even more important to establish qualitative feedback mechanisms with clients

### C. Learn and iterate

*N/A; all organizations should instill a culture of learning and growth and put in place processes for consistently learning from results and refining their tools, practices, and strategies to improve effectiveness*



Additionally, all organizations should ensure their digitalization strategy is designed, implemented, and refined in a way that is equitable and inclusive

## Taking a gender lens

Given the strong and growing commitment across the BDS sector to ensure services are equitable and inclusive for women entrepreneurs, it is important that digitalization approaches are carefully crafted to reinforce and advance this commitment.

### STEP 1



**Determine how your strategy influences how you digitalize**

#### Key actions

- Identify how gender may influence how customers engage with your services differently based on differences in their motivations, behaviors, and pain points.

#### Examples and rationale

- Women with parenting obligations may have greater difficulty engaging in programs after work hours, and women entrepreneurs may have a greater need for building certain skills that they have less opportunity to practice otherwise due to social norms, such as negotiation.<sup>1</sup>

### STEP 2

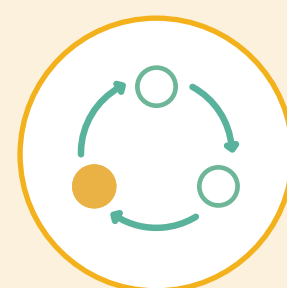


**Develop your digital approach**

- Consider women's unique challenges when determining your delivery model.
- Seek to work with partners that have gender balance to avoid biases in design when customizing or building tools.

- Women's time poverty may make asynchronous digital offerings helpful; yet, women entrepreneurs also face greater challenges accessing networks and financing, so synchronous and in-person interactions may be important.<sup>2</sup>
- There is often implicit gender bias in digital tools/platforms that are designed only by men.<sup>3</sup>

### STEP 3



**As you implement, measure, learn, & refine**

- Track and analyze gender disaggregated data to ensure refinements in your approach are equitable.
- Commit to developing a diverse organizational culture to drive innovation.

- Non-gender disaggregated data may hide that women are less engaged with certain aspects of your delivery that you otherwise could improve.
- A wide body of research indicates that diversity within a company—and especially in leadership—unlocks more innovation, particularly when management and employees are representative of the customers they serve.<sup>4</sup>

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Sources: (1) African Management Institute, Business Development Support in a Time of Crisis, 2020 and World Bank, "Eliminating Gender Disparities in Business Performance in Africa," 2019; (2) ICIC, Creating Inclusive High-Tech Incubators and Accelerators: Strategies to Increase Participation Rates of Women and Minority Entrepreneurs, 2016; (3) Caroline Criado Perez, Invisible Women, 2019; (4) Harvard Business Review, "How diversity can drive innovation," 2013; World Bank, "Eliminating gender disparities in business performance in Africa," 2019; Stakeholder interviews; Dalberg analysis



1

What is digitalization and how is it relevant to BDS?

2

Choosing a digitalization pathway

3

How to digitalize

4

**Resources to help you on your journey**

## Resources to help you on your digitalization journey

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## Links to helpful resources

### **What Works:** Key lessons on effective enterprise development practices

#### Lessons on effectiveness of startup acceleration/SGB support

- Aspen Network of Development Entrepreneurs, "[Research: Lessons from the Global Accelerator Learning Initiative](#)"
- Argidius Foundation, "[5 lessons to SCALE effective enterprise development: A summary of what works](#)"
- Argidius Foundation, "[Address problems: We learn best through problem solving](#)"
- Argidius Foundation, "[Learning by evaluating enterprise performance creates results](#)"
- Aspen Network of Development Entrepreneurs and International Growth Center, "[Research: What works and what doesn't in enterprise development](#)"



TIP

*Regardless of the digitalization approach your organization takes, ensure it builds upon a foundation of effective business development practices*

### **Digitalization:** Resources on key aspects of digital design and delivery

#### Asynchronous and synchronous digital delivery

- Coursera, "[Designing an Online Curriculum](#)", 2020
- eLearning Industry, "[\(The Right\) Learning Modalities To Deliver Digital Learning: Part 1](#)", 2020; [\(Part 2\)](#); [\(Part 3\)](#); [\(Part 4\)](#); [\(Part 5\)](#)

#### Customer persona and journey mapping

- Nielson Norman Group, "[When and How to Create Customer Journey Maps](#)", 2016

#### Digital BDS case studies and guides

- FIELD at the Aspen Institute, "[Scaling Business Development Services through Distance Learning: A Case Study of WESST](#)", 2013
- FUNDES & Endeava, "[The Use of IT Solutions in Inclusive Value Chains](#)", 2020
- TechnoServe, "[Supporting Entrepreneurs with Digital Tools](#)", 2020

#### Digital facilitation guides

- Dalberg Design, "[Remote Creative Facilitation Primer](#)"
- Howspace, "[The Ultimate Guide to Digital Facilitation](#)"

#### Online learning KPIs

- TalentLMS, "[The Ultimate KPI Cheatsheet for eLearning](#)"

#### Selecting a digital Learning Management System (LMS)

- CommLab India, "[A Beginner's Guide To Learning Management Systems](#)", 2021

## Resources to help you on your digitalization journey

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## Selection of organizations providing digital support to BDS providers



### African Management Institute ([Find out more here](#))

Offers proprietary platform/mobile apps, training content and/or services to BDS providers looking to leverage AMI's existing training methodology and content and adapt it to their own clients' contexts



### Bridge for Billions ([Find out more here](#))

Offers proprietary customizable online platform for any organization seeking to launch its own fully-online or hybrid entrepreneurship and innovation program for early-stage entrepreneurs as well as training on running these programs effectively



### SCOPEinsight ([Find out more here](#))

Offers a variety of assessment tools that help partners serving entrepreneurs in the agriculture sector identify the areas of capacity development support their entrepreneurs need most, which helps these clients provide more targeted and effective training and support



### VC4A ([Find out more here](#))

Offers an online platform for entrepreneurs, partners, investors, and mentors globally to connect with each other, and provides BDS organizations with the opportunity to recruit entrepreneurs for their programs and better understand these entrepreneurs based on their digital interactions



### LinkedIn Learning ([Find out more here](#)) & Udemy ([Find out more here](#))

Offers a free facilitation platform for organizations to develop and deliver video training content



## Resources to help you on your digitalization journey

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## Digital tools commonly used by BDS organizations (not exhaustive)

Type of tool	Popular tools	Why organizations like it
Collaboration	Miro, Mural & Stormboard	Enables participants to offer input in an organized fashion during live brainstorming
Data integration	Airtable	Allows for data aggregation and organization across multiple types of databases or spreadsheets
External messaging	Whatsapp	Enables communication to a large user base that is already familiar with its use and functionality
Graphic design	Canva	Allows users to easily create social media graphics, presentations, and other visual content for marketing or training purposes
Internal messaging	MS Teams & Slack	Allows for quick “sidebar” communications and minimizes emails
Polling	Mentimeter	Helps to gather quick, anonymized reactions among a group by polling
Video conferencing	Webex & Zoom	Allows for deeper engagement among smaller groups in breakout groups; widely used and inexpensive

\*Find more digital tools and uses [here](#)

Sources: Stakeholder interviews, 2020

## **Stakeholders consulted**

LIST OF ORGANIZATIONS INTERVIEWED			
Business development services providers and platforms			
African Management Institute	Creative Metier	Polymath Ventures	TechnoServe
Alterna	Enablis Senegal / EVA (Enterprise Value Accelerator)	Root Capital	The DO School
Amani Institute	FUNDES	Scope Insight	VC4A
Balloon Ventures	Impact Hub	Sinapis	Wylde International
Bridge for Billions	Mowgli Mentoring	Somo Africa	
Other organizations, including companies in other sectors with digitalization experience			
Coursera	Khan Academy	Memrise	Tinder
Headspace	LinkedIn Learning	Salesforce.Org	Udemy
Instructure	Mastercard Center for Inclusive Growth	SuperHuman Academy	





**Argidius Foundation** aims to help entrepreneurs to build profitable businesses and contribute to the sustainable development of their communities. We do so by improving the effectiveness and reach of small and medium enterprise capacity development services.



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Questions and comments about this report can be directed to [mail@argidius.com](mailto:mail@argidius.com).