

> #Digital4MSME: using the market systems approach for digital transformation

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#Digital4MSME

How to use the Market Systems Approach for Digital Transformation



Objective of the Guide



Digitalisation of MSMEs is mostly overlooked



Digitalisation services – an emerging market with great importance (Covid-19 pandemic)



Not many MSD projects out there (particularly in Sub-Saharan Africa)



Show 6 case studies as practical examples



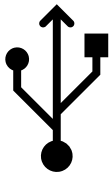
Provide some first actionable guidance through an MSD lens



Benefits of Digitalisation for MSMEs

 Digital solutions affects MSMEs across all business segments

Digital Inclusion and Informality



Within-firm Productivity Gains



More Supply Chain Integration & Better Access to Markets



Equal Access to new or better Support Services





The Market for Digitalisation Services

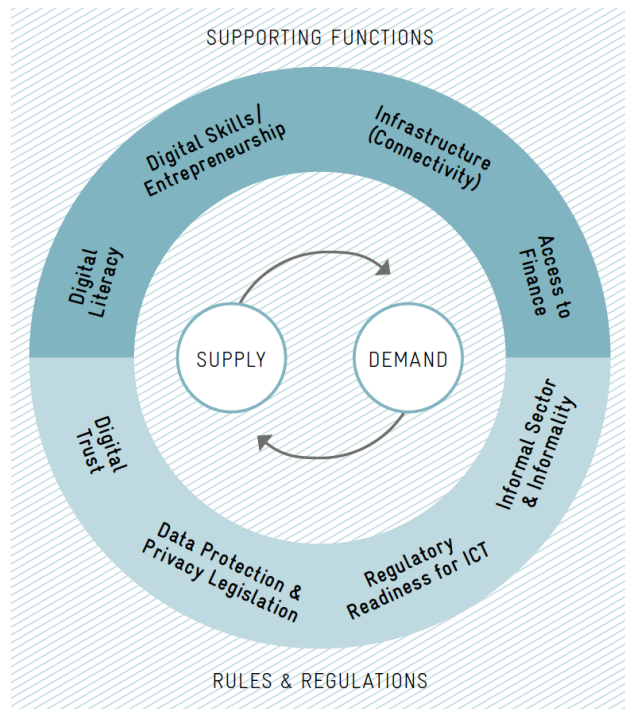
Supply Side

Type of Digitalisation Services

- Advisory & information services
- Market linkages
- Digital financial services (DFS)
- Digital supply chain management

Suppliers:

- Schools / Universities / Digital Training
- Private-sector-driven Technology and commercial BDS Suppliers



Demand Side

- Digital Connectivity and Device Ownership
- Registration for D4Ag Solutions
- Technology Usage





Reflection Points: MSD Intervention Design for Digitalisation Services (I)



Act as *Facilitators* and take market-driven approach towards digital transformation



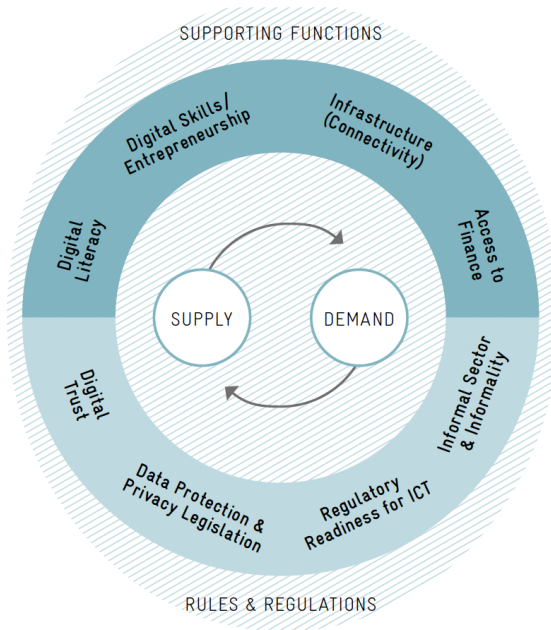
Be solution-driven, not technology-driven!



Contextualisation and demand matters



Gain deep understanding of the *pricing and delivery models* for digitalisation services





Reflection Points: MSD Intervention Design for Digitalisation Services (II)



Simplicity first! *The adoption of 'basic' technologies - emails, websites and office software packages - can already bring far-reaching and transformative changes.*



No wins without engaged or active users!



Digitalisation rarely happens on its own





Thank you!

The full report is now available on BEAM Exchange!

<https://beamexchange.org/resources/1493/>

Contact: admin@enterprise-development.org
private.sector@giz.de





... Taking the lead in ICT for agricultural excellence!!!

About Us

Our journey so far

Our mission

...To offer **High-tech solutions and innovations** for agricultural value chain actors feeding the world



Established in September 2016 and Based in Kampala Uganda

Funding support from UNCDF, GOAL AND USAID



- 13 Permanent workers,
- 428 Digital Community Entrepreneurs (DCE's)

Needs Statement

Over 5 million farming households lack investment in their farms



Limited data



Limited access to
phones



Low-quality inputs



Limited economic
opportunities



Reduced
confidence
in buyers



Limitation of
movements



Limited access
financial services



Limited access to
information

Product Development & Approach

Using HCD approaches to understand problems



Research & value chain
analysis



Customer-oriented systems/
platform design



Sensitization & awareness
creation

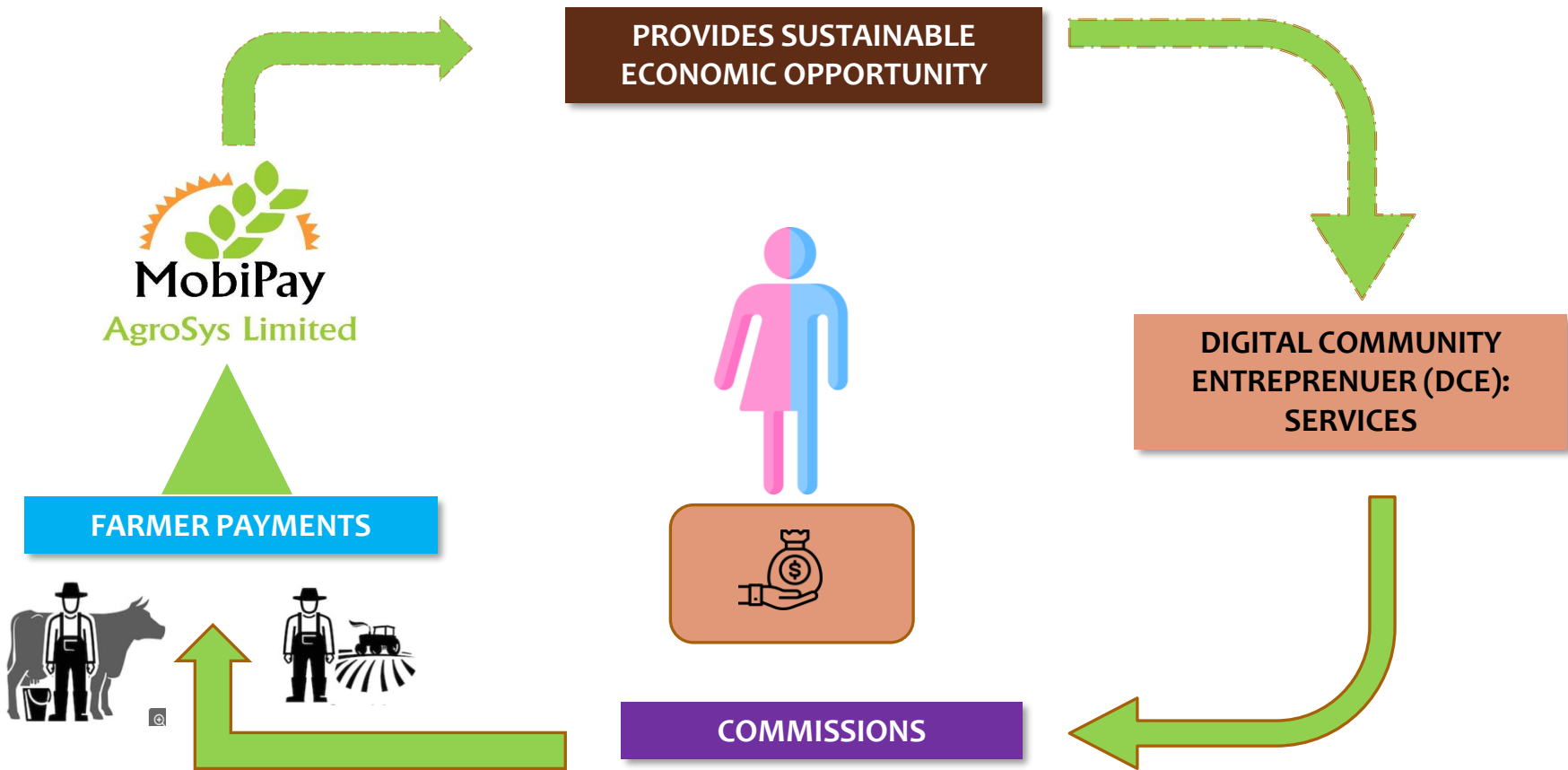


System users' trainings and
feedback



Continuous technical support
& monitoring

MobiPay's Digital Community Entrepreneur (DCE) Model – The Human Interface



Traction & Impact



Over 250,000 smallholder farmers



Over 150,000 active users



428 Digital Community Entrepreneurs
(Agents)



Phone loan to 17,000 farmers

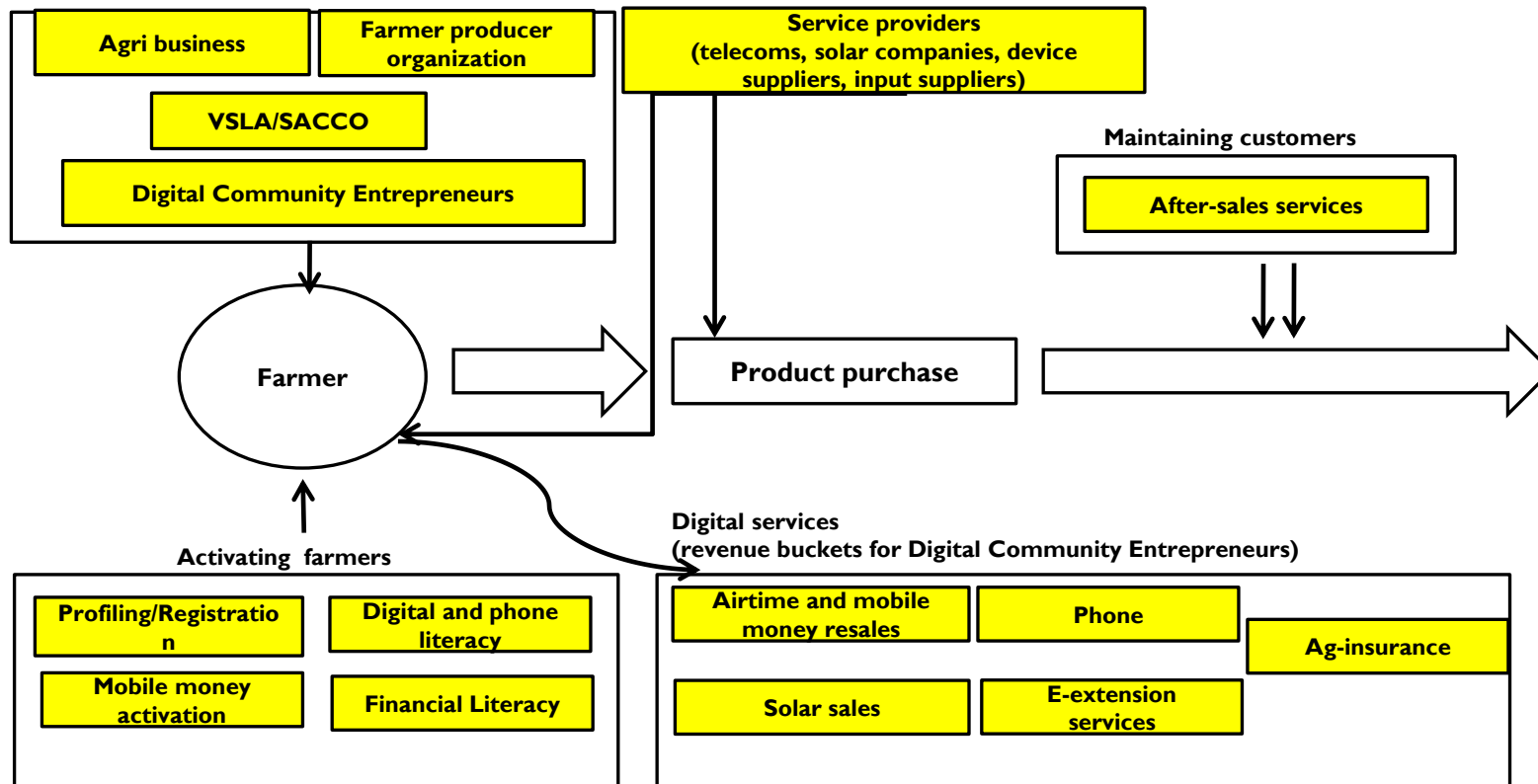


19 Private Sector Actors (Clients)



156,000 farmers trained in financial & digital literacy

Framework for Delivering the DCE Model





Thank you



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COVID-19 SME Innovation and Digitalisation Support Scheme in Ghana

Special Initiative on
Training and Job Creation

On behalf of



Federal Ministry
for Economic Cooperation
and Development

Implemented by



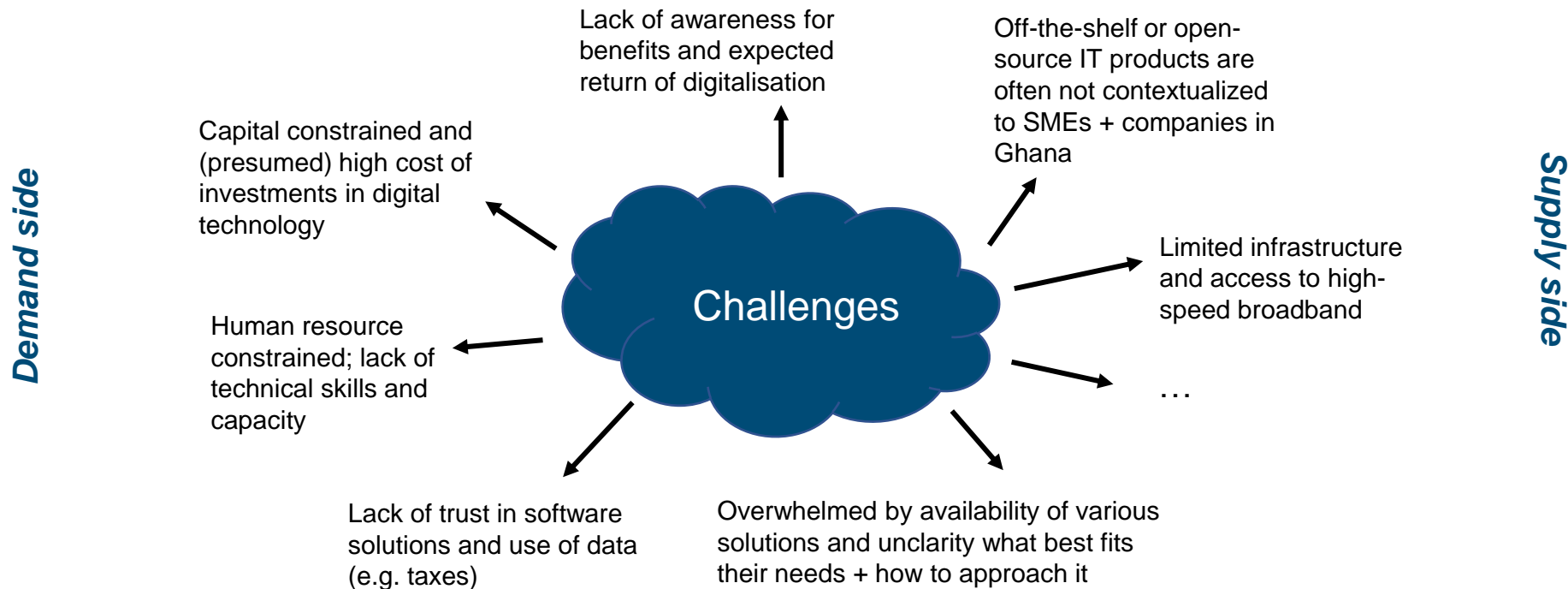
Embracing Digital Transformation in the ‘New Normal’

- COVID-19 is exposing the defects of the digital transformation in Ghana, but provides also an opportunity to support the digitalisation of Ghanaian SMEs
- The adoption of digital technology presents a vital strategy for businesses to continue its operations and mitigate some of the economic losses from the pandemic





Why do SMEs lag in their Digital Transformation?



COVID-19 SME Innovation and Digitalisation Support Scheme

Implementing organisation: Ghana Enterprise Agency (GEA)

Budget: 1,500,000 €

Time Frame: 12 months



Objective

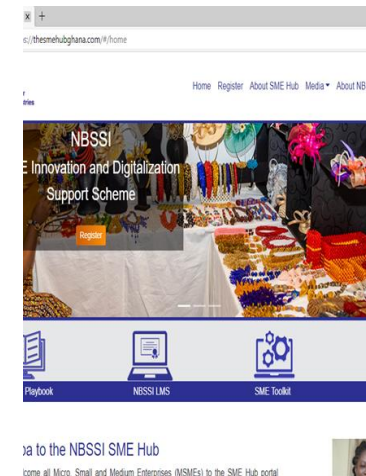
- To strengthen the **resilience** of 500 SMEs (particularly during COVID-19), thereby **sustaining jobs of more than 6500 workers**
- To increase SME's **process efficiency and competitiveness through digitalisation** and access to knowledge, technology and expertise



Key Activities

Target group

- Growth-oriented SMEs (minimum of 6 employees, registered in Ghana)
- Sector-wide approach
- SMEs that fulfil minimum standards in terms of hardware/IT structure
- SMEs particularly affected by COVID-19



**Awareness creation
on the benefits of
digitalisation for
SMEs**

**Needs Assessment
and Diagnostic Study**

**Development of a
digital transformation
guideline and set-up
of Online SME Portal**

Key Activities



Trainings for SMEs in digital literacy and digital skills



**Online Visibility:
Training and setup of websites and social media pages**



Demand-based digital software solutions



Continuous Business Coaching to ensure sustainability



Monitoring and Evaluation (M&E)



Impact on three levels

- Immediate Impact, clear outcome
- Adoption of “basic” technologies, like websites and simple software solutions, can already bring far-reaching and transformative changes

1 SME

- Improved process efficiency and competitiveness
- Digitalisation opened other “channels”, e.g. financial inclusion, formality, data management, new customers and markets

2 Institutional Level

- Internal Capacity building
- Increased information base on SMEs’ and their needs
- Increased credibility

2 Local IT Provider

- Expansion of local IT businesses
- Better understanding of SMEs’ needs by service providers resulting in adapted products and services



Achievements in numbers

**Applications
Received**



7,192

**Digital
Trainings**



500

**Promoting E-
Commerce**



400

**Access to
Software
Solutions**



500

**Capacity
Building for
Coaches**



40



500 companies supported with 6339 workers, whose jobs have been sustained



Lessons Learnt and USP



- **Holistic Project Design**
- **Co-Creation and Close Collaboration**
- **Building on Local Ecosystem Players in the IT field**
- **Ongoing Business Coaching and Continuous Support**
- **Quick Action to build Resilience during the Covid-19 Pandemic**



Thank you!

In case you have any questions, please contact

- Laura-Kristin Baric, Technical Advisor (Invest for Jobs)
- Eunice Agyepong, Technical Advisor (Invest for Jobs)
- Johanna Hartung, Head of Component “Centre for Digital Transformation” and Make-IT in Ghana

GHANA ENTERPRISES AGENCY
GEA
ECONOMIC DEVELOPMENT, ENTREPRENEURSHIP, INNOVATION

COVID-19 SME Innovation and Digitalisation Support Scheme

Let's go digital.

Are you an entrepreneur looking for a resilient way to grow your business? Digitalisation is the new resilience.

german cooperation
DEUTSCHE ZUSAMMENARBEIT

Invest for Jobs
Opportunities for Growth in Africa

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