

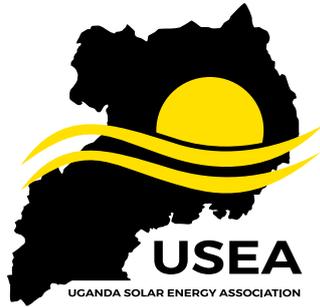
Needs Assessment Report for

The Uganda Solar Energy Association

Business Development Hub Project

June 2019





Needs Assessment Report for The Uganda Solar Energy Association Business Development Hub Project

Needs Assessment Report with findings from the analysis of the Business Needs and Investment Readiness Needs among the members of The Uganda Solar Energy Association Members on the Business Development Hub Project

June 2019

The Implementing Partner

The BDS Hub project is being implemented by Challenges Uganda, part of The Challenges Group. Challenges has 20 years' experience in offering onsite organisational development and management improvement support to Small and Medium Enterprises (SMEs) across developing markets. As a result, it has developed a structured approach to understanding and improving "investment readiness", which comprises:

- The strength of operational and management practice, and whether a business is operationally prepared to absorb investment.
- The preparedness of the documentation necessary for an investment process.
- The financial ask that the business is making for investment, and whether this is realistic.

Challenges has been operating in its current form in Uganda for 5 years and during this time has built up a considerable portfolio of interventions in the renewable energy sector.

Acknowledgements

We would like to thank all stakeholders and independent observers who participated in the needs assessment process or provided insights which helped to shape the design of the pilot model. In particular, we would like to express our gratitude to the 25 USEA members who were able to participate in the process and the 30 BDS providers who provided input into the model.

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Finally, we would also like to thank several organizations with a much less direct stake in the project who were willing to give up their time to meet with us and provide their input. These are Uganda Off-grid Energy Market Accelerator (UOMA), Renewable Energy Business Incubator (REBi), Uganda National Renewable Energy and Energy Efficiency Alliance (UNREEA), Power Africa Uganda Electricity Supply Accelerator (PAUESA), Global Off-Grid Lighting Association (GOGLA), Get.invest and Aspen Network of Development Entrepreneurs (ANDE).

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List of Abbreviations

BDS	Business Development Services
CEO	Chief Executive Officer
DFID	Department for International Development
IT	Information Technology
MOU	Memorandum of Understanding
N/A	Not Applicable
PAUESA	Power Africa Uganda Electricity Supply Accelerator
PAYGO	Pay-As-You-Go
PESTLE	Political, Economic, Social, Technological, Legal, Environmental
SMART	Specific, Measurable, Achievable, Realistic, Timebound
SME	Small and Medium Enterprise
SWOT	Strengths, Weaknesses, Opportunities, Threats
ToR	Terms of Reference
UNCDF	United Nations Capital Development Fund
USEA	Uganda Solar Energy Association

Executive Summary

This report represents the output of the first phase of the Uganda Solar Energy Association Business Development Services Hub Project. Challenges Uganda (Challenges) was commissioned by the United Nations Capital Development Fund (UNCDF) and the Uganda Solar Energy Association (USEA) to understand the needs and preferences of USEA's members in relation to Business Development Services (BDS) and use this information to design and test a revenue-generating model in which USEA brokers the provision of BDS support for its members.

This document reports on the assessment of the BDS needs and preferences of USEA members.

Purpose of the needs assessment

The purpose of the needs assessment was to:

- Develop an effective framework for assessing member needs and use this to assess the challenges faced by USEA members.
- Understand the BDS and investment needs of USEA members.
- Capture USEA members' level of interest in BDS activities and BDS providers' willingness to engage with USEA in a brokered and regulated service provision model.

These insights inform the design of a pilot to test USEA's capacity to act as a BDS hub for its members.

Intended audience

The target audience of this report includes: USEA members, staff, donors/partners, policy and decision makers, BDS providers, capital providers, and any other parties with an interest in the off-grid solar sector in Uganda.

Needs assessment process

The following information was gathered and analysed from a sample of 25 USEA members, primarily through an on-site, interview-based assessment process:

- General enterprise information: key business details, including current size and products/services offered.
- Organisation strength: the strengths and weaknesses of member organisations' internal operational and management practices.
- Appetite for BDS: members' attitudes and preferences towards BDS.
- Investment plans: members' experience of and plans to seek investment.
- Investment risk: business risks that would influence whether members would be an attractive (i.e. low risk) proposition for potential investors.

In parallel, Challenges also engaged 30 BDS providers to understand their willingness to participate in a BDS hub, their preferences and expectations of the hub model, and their service provision capabilities.

Key findings from USEA members

Below are concise accounts of the findings from surveys conducted to achieve the specified objectives:

- Members assessed perform poorest in sales and marketing and leadership and organizational structure. Further analysis shows a close link between poor leadership structures and low scores in marketing and sales.
- Members expressed that tight working capital and lack of obvious criteria for assessing BDS providers constrain their ability to access BDS. Although this validates the business case for USEA as a BDS hub (ensuring access to high quality BDS), it also raises a concern of affordability of this service for members.
- Businesses cited experience and professionalism as the most important criteria for selecting BDS providers.
- Members favoured a system that combines both trainings and bespoke individual business solutions.
- The need for investment readiness support from USEA emerged as a critical need across all business levels.

Key findings from BDS providers

- BDS providers are willing to be part of the BDS Hub model provided USEA fulfil certain expectations, including continuous members engagement, streamlined reporting, a well-defined USEA role, and clear monitoring and evaluation procedures.
- Providers were willing to pay a brokerage fee to USEA for connections to its members.

Conclusions and recommendations

For the BDS Pilot, a model has been suggested to carry USEA through the process of Needs Assessment and BDS identification with a goal to build the associations' capacity to independently manage the full range of BDS brokerage activities. Major activities planned in the pilot include 17 additional member needs assessments in which USEA will be actively involved, a refining of BDS tools, training of USEA in their interpretation and use and conducting bespoke trainings using insights from members' needs assessments.

Structure of the report

This report includes:

- **Chapter 1:** Introduction – background to the project and project objective
- **Chapter 2:** Methodology – overview of Challenges' methodology to deliver the needs assessment and the tools used
- **Chapter 3:** Limitations – limitations to the research approach
- **Chapter 4:** BDS and Investment Needs of USEA Members – findings from the needs assessment in relation to members' support and investment needs
- **Chapter 5:** Proposed Needs Assessment Model – a suggested approach to future needs assessments
- **Chapter 6:** Appetite for BDS among USEA Members – findings related to members' perspectives and preferences in relation to BDS
- **Chapter 7:** BDS provider insights – findings from engagement with BDS providers
- **Chapter 8:** Pilot BDS hub model – conclusions and recommendations for a BDS model to pilot in the next phase of the project.

1. Introduction

1.1. Background

The Uganda Solar Energy Association (USEA) is an independent non-profit business membership association dedicated to facilitating the growth and development of solar energy businesses in Uganda and the East African region. Established in 2016, it was formed to act as a channel for the development of the off-grid solar energy sector, improvement of solar energy standards and to attract new entrants to the solar energy sub-sector in Uganda.

The United Nations Capital Development Fund (UNCDF) CleanStart Programme, in partnership with the United Kingdom's Department for International Development (DFID), is supporting USEA to build the association's capacity to provide members with value-added services. These services could include market intelligence, big data customer research, and business development training for solar companies and other industry stakeholders. These activities are expected to make USEA more impactful and viable as an industry association, and ultimately raise the industry's capacity to better serve the majority of the Ugandan population that still do not have access to electricity. The partnership is running from 2018-2019, with the aim that USEA will be a self-functioning Association thereafter.

1.2. Objective

The USEA BDS Hub project is one of the ways in which the UNCDF partnership is seeking to deliver this outcome. This project is aimed at building the association's capacity to be a Business Development Services (BDS) Hub for the solar industry. The overall goal of becoming a BDS Hub is to enable more solar companies in Uganda to become investment-ready by having key documents, systems and human resources of sufficient quality for financial institutions and other capital providers to increase financing to solar companies. Additional goals of the initiative are to strengthen USEA's understanding of the positions and needs of their growing member base; improve market insights on the funding and business development needs of their member bases to interested financial institutions and partners; and have a strong sense of the available business development service providers in the market and how USEA's BDS Hub can broker services between providers and member companies, potentially generating a new revenue stream for the organisation.

The objectives of this report are therefore to understand:

- The business development and investment needs of USEA's members.
- How 'investment ready'¹ USEA's members are.
- Members' attitudes towards BDS and USEA brokering these services.

The findings from this will inform USEA of the kind of business development support required by members and enable the identification of gaps in investment readiness. In addition, these findings will act as guide for a pilot BDS Hub model, whereby USEA will test specific approaches to offering BDS support to its members.

¹ Investment readiness is a measure of how prepared a business is to negotiate and receive investment

2. Methodology

Challenges' methodology for undertaking the needs assessment involved the following key steps:

- **Consultation & research with industry players:** this engagement provided key insights in the solar space both in the local context and regionally. The information also guided appropriate development and modification of key components of the tools.
- **Interviews with BDS providers:** BDS providers gave information related to their service offerings, prices, business models. This allowed for a deeper understanding into the BDS market in Uganda, exploring the effectiveness of different BDS Hubs the providers are part of.
- **Developing tools:** Based on engagements mentioned above, Challenges modified existing tools and created new tools that would efficiently gather data on business development and investment needs of members.
- **Review & sign-off of tools with USEA & UNCDF:** The tools were reviewed by the collaborating partners to ensure they were appropriate to the objectives. Selection of USEA member for assessments: the process of selecting members is discussed below in detail.
- **Conducting needs assessments:** 25 needs assessments were conducted over 3-week period.
- **Developing BDS roster:** based on a vetting process with BDS providers, a provisional roster was developed.
- **Analysing needs assessments results & BDS providers survey:** results from the needs assessments and BDS surveys were collated and analysed to understand possible trends in business development and investment needs. Additionally, it revealed insights surrounding members' willingness (and ability) to pay for BDS services.
- **Developing pilot model:** A pilot model was developed based on the needs assessment results, BDS providers surveys and discussions with USEA and UNCDF.

2.1. Selecting participating members

USEA provided a diverse shortlist of 48 members from which the targeted 20-30 participants were selected. The 48 were grouped into 4 tiers (1-4) according to USEA's understanding of the member's past engagement with BDS, tier 1 having the greatest engagement and tier 4 the least.

A shortlist of 30 (evenly distributed across tiers) was made and an introductory email about the project was sent. In the end, 25 needs assessments were conducted. Surveys were sent to the enterprises soon after confirmation of participation and this followed with enterprise visits on agreed dates, during which interviews were conducted. An average of two and a half days were used to gather information, including follow-up calls for clarifications.

2.2. BDS provider engagement

Consultations were made with BDS providers to develop a preliminary BDS roster giving insights into their service offerings, prices and business models, and to gain deeper understanding into the BDS industry in Uganda, such as exploring the effectiveness of different BDS Hubs some providers are already part of. A total of 30 BDS providers were consulted from across different specialisms and a score card was developed to profile their key information, which also acted as a comparison and selection tool. Due to tight project schedules, BDS Providers were scored based solely on information obtained from a single interview/meeting at their premises. In future projects, it will be vital for USEA to engage BDS providers in a more detailed process in order to ascertain integrity of BDS scores.

The consultations influenced some of the questions in the Appetite for BDS and also had some influence over the selected BDS hub models.

2.3. Tools

The tools detailed below were developed both for the purpose of the needs assessment and for long-run use by USEA.

2.3.1. Needs Assessment Tools

A workbook was developed containing all the information gathering tools used in the engagement. Some of the tools were used as a guide in an interview process while others were sent out as surveys for the members to fill out on their own. This approach was adopted to maximise the limited member engagement time for the interviews and to give members enough time to reflect and think through responses for the surveys.

The workbook contained 5 key tools that were used for the assessment:

Table 1. Tools used for needs assessments

Tool	Description and Use	Purpose
Enterprise Information Form (Survey completed by members)	A survey for members to provide key business details, including contact information, products/services offered, revenue and employment details as well as a brief statement of future business plans.	To build a richer Member Profile section of the USEA member database and to provide more context during analysis.
Organisation Strength Assessment (Interview)	<p>A 59-point assessment of the enterprise's internal practices across six key areas: Leadership; Organisation and Staff; Product / Service; Sales and Marketing; Financial Management; and Legal and Information Technology. This assessment tool has been implemented by Challenges in over 700 SMEs and is derived from the Chartered Management Institute's global best practice management framework. The six areas of the assessment have been found to be the essential capabilities and practices for a well-functioning, well-managed business.</p> <p>This best-practice tool was adapted to reflect the specific context of the solar market and solar company demographics, in consultation with UNCDF and USEA. Across the key areas, there were a series of questions determined by a range of answers scored between 0-4 (0 - none, 1- very little, 2-some but basic, 3 - established but still developing, 4 - fully fledged and strong, N/A – Not Applicable). These questions were answered by Junior Associates who engaged with the businesses and interviewed key staff members across the areas. This generated an unbiased, evidenced assessment of members' BDS needs. Scores were weighted according to the level of influence the key area / question has over business operations and contribute towards an overall percentage score for each key area. (<i>Questions with "Not Applicable" answers are automatically eliminated from the calculation of this score</i>). The member's overall score was then calculated as the average of the percentage scores across the key areas.</p>	Breaks down members' business development needs into six key areas, which can be used to prioritise specific BDS assistance.

Tool	Description and Use	Purpose
Appetite for BDS Survey (Survey completed by members)	A 23-point assessment of the enterprise's comprehension of and attitudes towards BDS. It posed a mix of open and closed questions on members' awareness of BDS, desire for it and past engagements, resources for BDS and preferences for the proposed hub model.	Assessing the members' understanding of BDS, their willingness and ability to pay, their history engaging BDS, their desire and demand for such services are vital in determining how to design a BDS Hub model which is a sustainable revenue-generating service for USEA.
Investment Plans questionnaire (Interview-based Survey)	Aimed to understand whether members are seeking investment, what type and quantity sought after, and some insight into their investment history.	Complements the organisational strength assessment and risk matrix, revealing whether members who intend to seek investment are in a position to receive and utilise it.
Investment Risk Matrix (Interview)	Assesses risk in 7 different areas; Market risk; Credit risk; Funding Risk; Continuity Risk; Foreign Investor risk; Management risk; and Operations risk. The grid measures the likelihood of the risks occurring (on a scale of rare to almost certain) and impact on the business upon occurrence (on a scale of insignificant to catastrophic) and outputs a risk ranking per area based on these factors (on a scale of low to very high).	Indicates whether members are attractive (i.e. low risk) propositions for potential investors.

2.3.2. Additional Long-run Tools

Table 2. Tools created for USEA long-run use

Tool	Description and Use	Purpose
Member Database	A tool that aggregates member information and needs assessment data into one source. To be updated by USEA when accepting new members and completing additional needs assessments.	To provide USEA with rich data on members, to support administration of members and to develop BDS and investment pipelines for members.
Due Diligence Checklist	To be completed by members who intend to look for investment, this lists the documents typically required by investors as part of their due diligence process.	An additional source of potential added value designed to help members understand how close they are to receiving investment. Could also be useful if USEA takes a more active involvement in constructing investment pipelines in the future.

2.4. BDS provider engagement

In addition to member assessments, engagement with suitable BDS providers was necessary to develop the pilot model. Through a combination of desk research, networking and referrals, a list of 30 BDS providers was compiled across various business functions. Face-face interviews were carried out with all 30 to ascertain certain factors, including but not limited to, their level of experience, track record, training & mentorship.

3. Limitations

Limitations with this research approach can be categorized as follows:

3.1. Engagement in process by members

It was a challenge to assess members at short notice, as many were unable to commit enough time to the needs assessment process due to other engagements. To overcome this, our Junior Associates clarified information obtained during the initial needs assessment via follow-up phone calls and members were also provided the means to complete Enterprise Information and Appetite for BDS surveys at a time convenient for them. It would have been prudent for there to be a greater amount of communication with members before the needs assessment. This process would have been between USEA, Challenges and the members to explain the end-to-end process, aims and the benefits of the process.

3.2. Time to conduct needs assessment

Challenges' typical diagnostic process involves at least 2 weeks of in-depth assessment per company. A 2-day assessment reduces the depth of insight that can be made within a business due to the time required to build a client relationship. This was mitigated by reducing the number of questions from Challenges' typical diagnostic process, enabling Junior Associates to form a high-quality, broad understanding of the BDS needs of USEA members.

3.3. Solar Industry-Specific Questions

The questions designed specifically for this project have had less field use than Challenges' standard diagnostic questions, which have been tested across hundreds of businesses. As a result, they may not have been as effective in capturing business realities. However, the analysis is not based purely on these questions, which are used to complement the overall understanding of performance in key business areas. Our Junior Associates also did not report any problems with these specific questions during their interviews, suggesting that there were no major issues in their construction.

3.4. Non-Disclosure of Member Revenue

Encouraging a business to disclose financial information to a third party is a process which typically requires a slow building of trust. As a result, many members assessed did not disclose their total revenue, which could have been a useful tool to categorise members and place them into the appropriate BDS assistance. We therefore chose to also record the number of employees within these businesses: this is an indicator of business size which members were typically happier to provide.

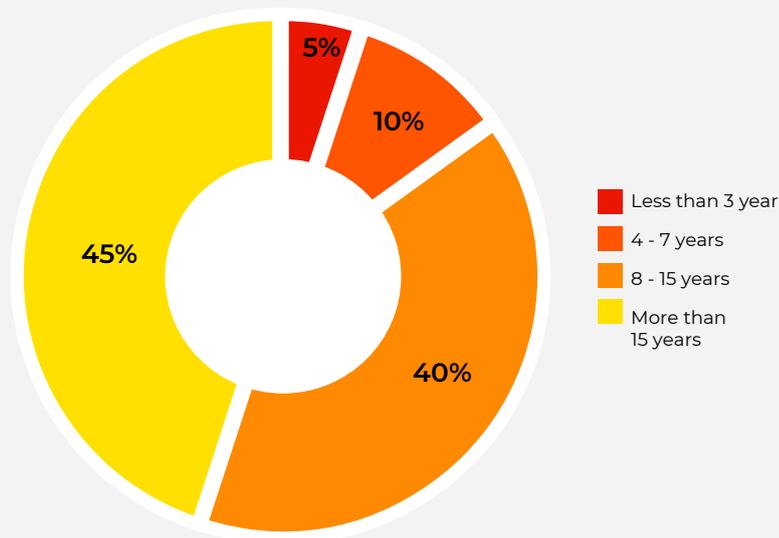
4. BDS and Investment Needs of USEA Members

4.1. Profile of Members Surveyed

This section presents the findings of assessments conducted with 25 of USEA's member enterprises. The cohort of members engaged features businesses across different stages of growth, business models, and product and service offerings. The findings presented here are collated from 25 organisational diagnostic assessments and investment readiness surveys. Only 20 members submitted enterprise information and 19 submitted appetite for BDS responses.

- i. **Time in existence** - The sample featured 1 business with less than three years in operations, 8 businesses between 4-7 years of operations, 9 businesses between 8-14 years of operations, and 2 business with over 15 years of operations.

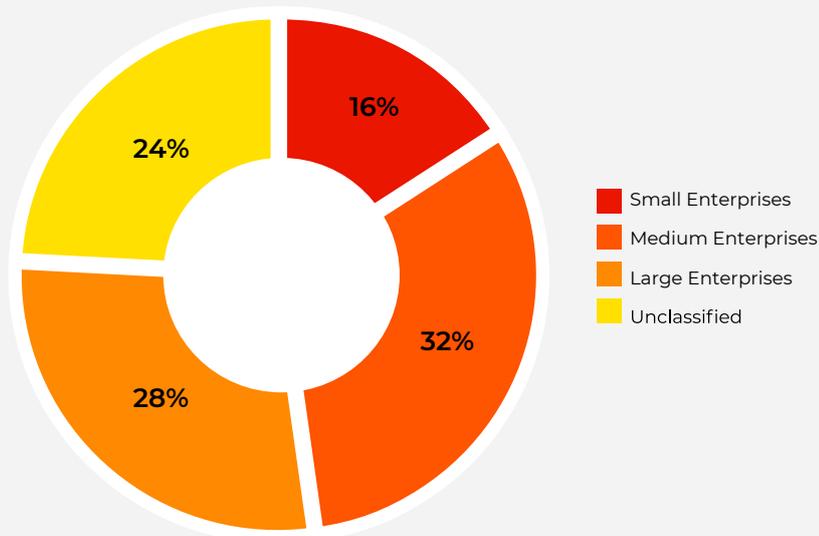
Diagram 1. Sample broken down by time in existence



- ii. **Size** - The businesses surveyed range between UGX. 35Million and UGX. 3.7 Billion in annual revenue, accounting for a total revenue of at least UGX 11.2bn last year and employment of 639 people.² The average number of employees in smaller companies is 8 full-time and 3 part-time staff. These businesses also account for a combined 23,500 customers and 561 supply partnerships. We were able to break this down further for 21 members, who we were able to categorise into small, medium and large enterprises, based upon (a) revenue and employment data submitted by members; (b) prior knowledge about some of the members assessed; and (c) consultation with the Junior Associates to verify the accuracy of the enterprise information submitted.

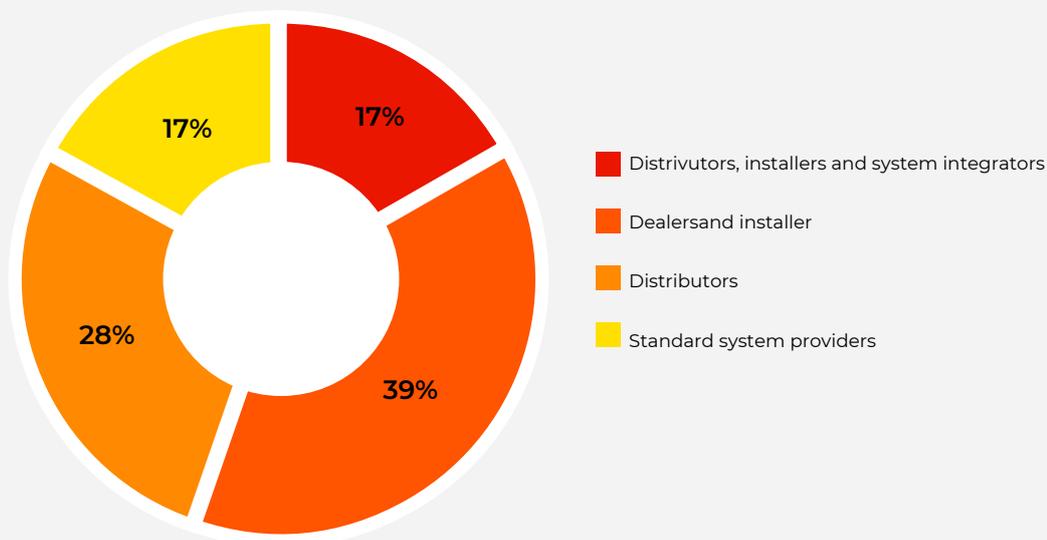
² This is an underestimate of total revenue generated by the cohort, as 13 out of the 25 enterprises engaged did not supply this information.

Diagram 2. Sample broken down by enterprise size



iii. **Business model** - Out of the 18 members who provided information on their business model, 7 categorized themselves as distributors, installers and system integrators, 3 dealers and installers, 5 exclusively as distributors, and 3 standard system providers.

Diagram 3. Sample broken down by business model



60% (15) of members engaged are looking for trade linkages. Below is a summary of the forms of investment sought by members across different levels of growth

4.2. Investment Needs of Members Surveyed

Summary of member investment needs:

- 76% of member assessed have plans to look for investment at some point in the future, 79% of whom are seeking investment within the next 12 months.
- Grants are the form of investment sought by most members. There is fairly equal demand for debt from banks (4 members) and debt from investors (5 members). There does not appear to be a significant pattern when assessing demand by size of enterprise as the table below demonstrates.

Table 3. Investment required by across different stages of growth

Financing	Range	No. of Businesses	Need by size of business		
			Small	Medium	Large
Debt from Investor	\$50,000 - 1 Million	5	2	3	0
Equity	\$50,000 - 1 Million	3	1	0	2
Grants	\$50,000 - 1 Million	8	3	2	3
Debt from bank	\$100,000 - \$500,000	4	0	2	1

- Typical investment amounts required range from \$50,000 to \$500k, with a small amount of businesses looking for over \$1 Million.
- Most members rely on external support to prepare investment documentation. Only 42% of members with plans to seek investment are able to prepare such documentation on their own.
- The majority of members are unaware of their long-term financial needs when preparing investment cases.
- The inability to provide realistic offers of security and equity is a main limiting factor identified across small and medium enterprises.

Summary of Risk Assessments:

- A majority of members assessed can be considered as high-risk prospects for investors. Out of the 79% of members looking for investment within the next 12 months, only 31.5% are in a position where they can absorb investment effectively (with diagnostic scores higher than 70%).
- Only 3 of the 77% of members seeking investment within the next 12 months have less than 3 areas where they are at high risk.
- On average, businesses are at high risk in 3 to 4 areas. A significant proportion of members are highly exposed to risk across a wide range of risk categories.

4.3. Organisational Strength Assessment and Resulting Needs

The lowest average diagnostic scores recorded were in marketing and sales (48%), while the strongest area overall was products and services (73%). The average total score across all areas was 66%. The table below shows the average scores for each area across the cohort of members engaged.

Table 4. Summary of Diagnostic Scores – Collective Average Score 66%

	Max	Min	Range	Average
Leadership	92	32	60	69
Organisation & Staff	100	10	90	64
Product/Service	99	49	50	73
Sales & Marketing	90	22	68	48
Financial Management	97	29	68	68
Legal & IT	100	18	82	70
Overall Enterprise Strength	95	32	63	66

Diagnostic scores can be interpreted as follows:

For Overall Scores

- **70% and above:** Business is showing strong performance across most internal areas and is therefore operationally ready to seek investment.
- **40% - 70%:** Business performing reasonably but significant operational improvements are required prior to seeking investment.
- **Below 40%:** Business is performing poorly and needs to make urgent operational improvements.

For Individual Areas

- **70% and above:** Business is performing strongly in this area.
- **40% - 70%:** Business is performing reasonably in this area but could benefit from interventions to boost performance.
- **Below 40%:** Business is performing poorly in this area: urgent improvements are required.

The three areas most consistently needing attention are Marketing and Sales, Leadership and Management, and Organization and Staff. The sub-areas where members most commonly require improvement are:

- **Sales and Marketing:** sales team training, competitor monitoring, marketing strategy, market research and positioning, sales management, and sustaining competitive advantage.
- **Leadership and Organizational Structure:** companies' overreliance on CEOs, poor internal communication lines, unfilled key staff positions, inability to set performance targets for staff, lack of formalized management reporting lines, and lack of adequate plans for staff empowerment and appraisal.

Approximately three quarters of members (14 out of 20 enterprises who completed the initial enterprise information) demonstrated awareness of the internal challenges faced by their organisation, by articulating the same needs for technical assistance as were independently identified through the diagnostic assessment. There were 4 cases which were divergent, which were also members that received lower overall scores on the diagnostic. This suggests there is a clear opportunity for USEA to deliver a valuable service using the diagnostic tool, by using it to provide members with a transparent and objective assessment of the internal state of their organisation and highlighting areas for improvement that could have a significant impact on their performance.

Deeper analysis of the needs assessment results highlighted some potential links between member characteristics and internal practice.

4.3.1. Needs Relative to Financial Position and Business' Age

There appears to be a relationship between member age, financial position and organisational strength:

- Longer established companies with lower revenues than their younger peers with the same business model tended to show significant needs across all areas of the diagnostic.
- These members are also observed to be seeking higher investment capital but with lower success rates in accessing finance.
- Younger companies (less than 7 years in operation) with the same, or better financial performance than the older companies (in operation for 14 years or more) score very highly in Leadership, organization and staff and marketing.
- These members also appear to enjoy higher success rates when seeking investment and ask for lower amounts of capital.

This suggests that members who have strong internal practices from the outset are more likely to realise rapid sales growth, and these factors put them in a good position to seek investment successfully. These members may have different needs for BDS than their older peers, who are likely to require more intensive support to improve organisational and management practice, as well as investment readiness support to assist them to articulate a realistic investment ask and improve their chances of accessing growth financing.

The comparison below of 3 solar companies dealing in solar home systems and installation services illustrates this hypothesis: the youngest enterprise has the highest revenue, but the smallest investment ask, and demonstrates targeted areas for improvement, whilst the older and larger enterprises demonstrate much more extensive business needs.

Table 5. USEA Member Needs by Business' Age and Financial Position

Company	Years in existence	Annual Revenue	Investment Needed	BDS Needs
A	14	UGX 320 Million	\$ 3.5 Million	Management and Leadership, Planning & Budgeting, Capacity Building, accounting
B	9	UGX 670 Million	\$ 1.9 Million	Financial Management, Business Modelling, Marketing & Sales, R&D
C	4	UGX 950 Million	\$ 100,000 -500,000	IT Solutions, Internal Controls

4.3.2. Needs Categorized by Size of Enterprise.

We explored trends in the results of the needs assessment related to the size of enterprise. As shown in the table below:

- Small enterprises are more likely to require support in areas such as product development and market research
- Medium enterprises are more likely to require support in strategy and organisational development
- Large enterprises are more likely to require support in employee empowerment and tax issues.

This suggests it may be effective to tailor BDS solutions to different stages of enterprise growth based on their shared needs.

Table 6. USEA member needs by size of enterprise

Category	Scope	No. of Companies	Shared BDS Needs
Micro Enterprises	> UGX. 10 Million and/or > 10 Employees	0	No Data
Small Enterprises	> UGX.500Million and/or > 50 Employees	8	Business Planning, Investment readiness support, strategic planning, product development, production planning, market Research, technical training
Medium enterprises	> UGX. 1 Billion and/or > 100 Employees	6	Business Strategy, Marketing, Financial Modelling, Budgeting, Organizational development
Large Enterprises	< UGX. 1 Billion and/or < 100 Employees	7	Management and Leadership, Employee empowerment, Marketing & Sales Management, Internal communications, Tax Compliance

4.3.3. Needs Categorized by Business Model

We also considered whether members with different business models would have different needs. The table below sets out the BDS needs identified across different business models. Some model-specific needs were identified:

- Distributors are mostly interested in marketing and sales management training given the difficulties they face in understanding demand in consumer markets.
- Installers and system integrators prioritize technical trainings over sales training because they focus on B2B marketing channels in which most client firms and institutions require installation services as a mandatory extra service.

This suggests that BDS solutions tailored by business model could also be effective for USEA's membership.

Table 7. USEA member needs by Business Model

Category	No. of Companies	5 Key BDS Needs
System Integrators	3	Marketing & sales management, technical training, financial management, stock and imports management
Specialized Distributors	5	Marketing training, credit management, tax training, customer financing, accounts management, competitor monitoring
Dealers and Installers	3	Market linkages, installation training, promotions and product awareness, updates on new technology, growth planning
Distributors, Standard Solutions, & Installers	6	Marketing & sales team training, Resident electrical engineer, IT systems, custom training in mini grid sizing

Note: Specialized distributors refers to those operating a pure distribution model without majoring in particular services/product categories

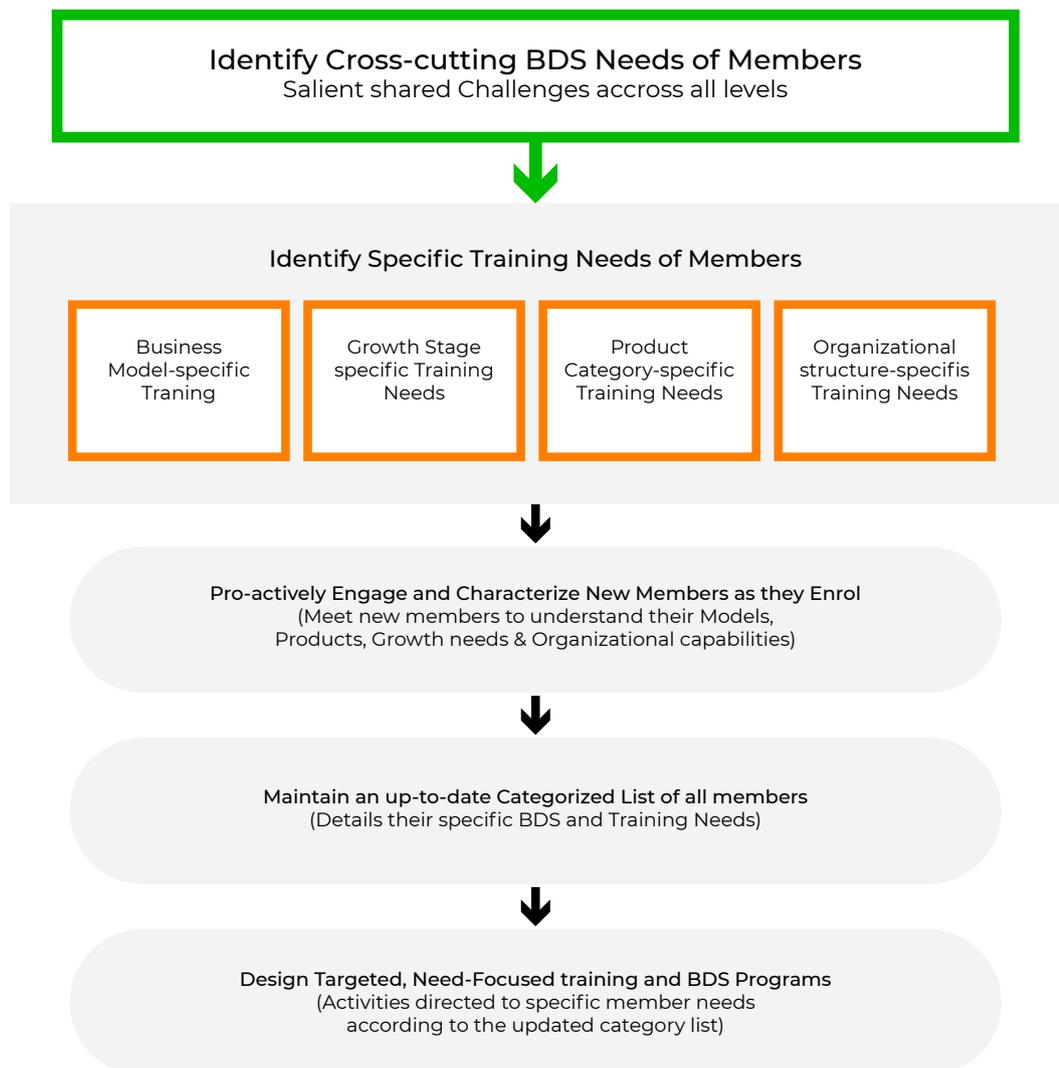
5. Proposed Needs Assessment Model

As USEA moves into delivery of the BDS hub in the future, it may be useful to apply these dimensions to segment its members' needs. Segmentation of needs has a number of advantages:

- It responds to members' demands for tailored support rather than generalized capacity building activities.
- It will enable USEA to identify BDS interventions that are likely to be in high demand (and therefore offer the most revenue-generating potential for the association).
- It will enable USEA to identify where to intervene to generate significant impact on the performance of the industry as a whole.

This assessment and segmentation approach are illustrated in the figure below. We have also included pro-active and ongoing engagement with members as a core element of the approach, to reflect both members' and BDS providers' input that ongoing engagement will be important to maintain their interest in using the service

Diagram 4. A Representative Needs Assessment Framework for USEA



6. Appetite for BDS among USEA Members

The intention of this survey was to gauge members' perspectives and preferences in relation to BDS to inform the design of the hub model to be adopted by USEA. Out of the 25 members sampled, 19 submitted responses.

Overall, approximately two thirds of members had plans to seek BDS in the next six months, which indicates a significant potential demand for the hub services. Currently, members are using various channels to identify and access BDS, including referrals, personal selling, networking events and classified adverts as avenues for meeting and identifying consultants. This offers an opportunity for USEA to streamline the process of accessing services for its members.

Despite a clear appetite for BDS, members also raised a number of constraints that would limit their ability to take up BDS services, and what strategies they would adopt to raise finance for BDS activities they cannot afford.

The most significant constraint to accessing BDS was ability to pay, followed by difficulties in knowing how to select and identify the right providers.

Table 8. *The top constraints limiting member access to BDS (in order of frequency of identification by members)*

Constraints limiting member access to BDS	
1	Tight cash flow/limited working capital
2	Lack of proper criteria for selecting BDS providers
3	Inability to communicate BDS challenges to providers
4	Difficulty in attaining management consensus

Members identified a range of strategies that they could adopt to address budget constraints for BDS services and would be most likely to try to reallocate funding from other areas of the business.

Table 9. *Strategies for raising BDS Finance amidst budget constraints (in order of frequency of identification by members)*

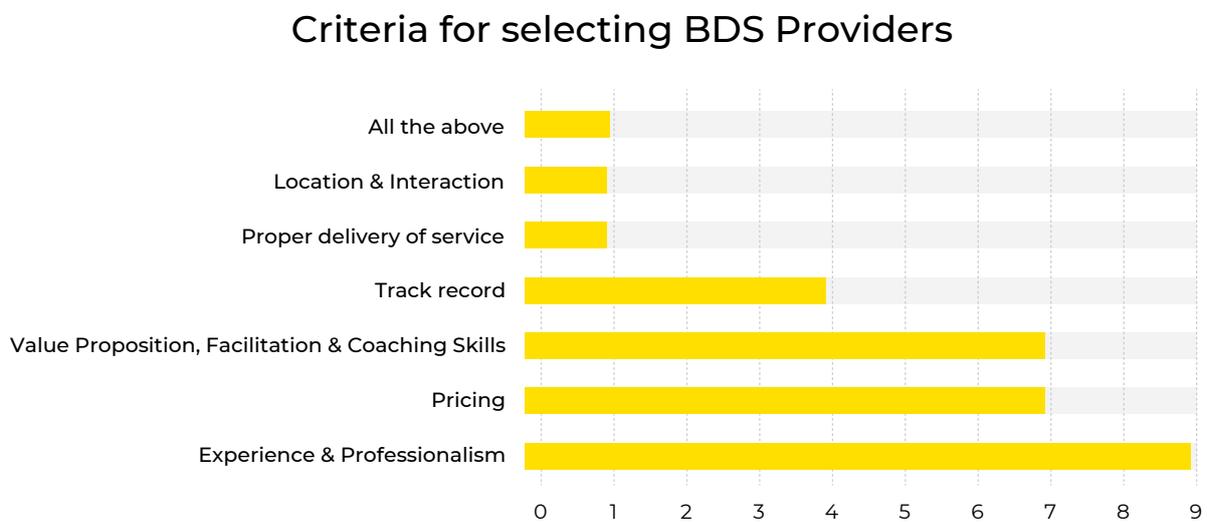
Strategies for Raising BDS Finance	
1	Budget Re-allocation
2	Credit from banks
3	Raise money from internal reserves
4	Increase sales to raise money
5	Finance BDS costs from shareholders' equity
6	Lend to the business from personal savings
7	Seek financing from development partners
8	Seek BDS providers with more flexible rates

The constraints identified by members provide important insight for USEA on the value that it can offer through the BDS hub, in particular:

- Offer clear and transparent criteria for the selection of providers.
- Vet the quality of providers to allow members to identify reliable consultants.
- Offer tools (such as the diagnostic) and other assistance to support members to more effectively communicate their BDS challenges to providers.

In relation to selection criteria, members were asked about the criteria that would be most important to them when selecting a BDS provider to work with. The most important criteria was experience and professionalism, followed by pricing and value proposition. Below is the full list of member criteria for selecting BDS providers.

Diagram 5. Criteria for selecting BDS providers



The BDS providers engaged as part of this project were mapped against a set of selection criteria based on the criteria identified as most important by USEA members (described in the previous section).³ This mapping is intended to help Challenges Uganda, UNCDF and USEA to decide which BDS providers might be most appropriate to involve in a pilot of the BDS hub, along with other considerations such as which providers best fit the key technical needs identified and our wider knowledge of the providers and their services.

³ These criteria are: Experience and professionalism; Network and track record; Pricing and value proposition; Training and Mentorship; Interaction, Monitoring and Evaluation

6.1. The preferred BDS Model by USEA members.

We asked members about their preferred service model for the BDS hub, and how they would prefer to pay for BDS services. Their preferences are summarised in table 10 below.

Concerning the desired BDS model, members favoured a well-managed system that would provide a balance of both trainings and affordable customized core business solutions. (Core business solutions refers to the range of systems, tools, and functional solutions – excluding trainings - offered to enterprises onsite). There was balanced support for the chosen model across different levels of growth.

Both members and BDS providers suggested that training would be an efficient and cost-effective way to support capacity development for members. Members emphasized that training provision should respond to their specific needs and requirements, instead of generic activities.

In terms of payment mechanisms, the majority of members would prefer to contact individual service providers directly. Thus, while it may make sense for USEA to charge its members for group trainings the burden of brokerage fee payment for individual consultancy connections should probably lie with BDS providers. Further justification for this is provided in section 7.

Table 10. Member votes per BDS Hub model and payment

Model	Total Votes	Votes By stage of growth		
		Small Enterprises	Medium Enterprises	Large Enterprises
Customized Individual Business Solutions	3	1	2	0
Training-focussed Model	3	1	0	2
Balance of Trainings and Customized Core Business Solutions	11	4	4	3
Any of the above	2	1	1	0
Preferred payment Methods				
Brokerage Fee	5	1	2	2
Increased membership fee	2	1	1	0
Contact BDS Directly	8	4	1	4
Unable to decide	1	0	0	0

There are two levels of service provision to be brokered under the tailored trainings model, and both will require well-structured processes for tailoring solutions to member needs: To complete this task, USEA will have to start by assessing member needs across different business functions and mapping out segment-specific concerns. Trainings would then be organized to address shared concerns of smaller member segments as revealed by the Needs Assessment. Our Assessment shows business models, product categories, business size and business age as ideal segments for tailoring trainings. The Association will however be able to identify other useful need clusters in subsequent assessments.

Members will be required to pay for the trainings. The group nature of training sessions will enable USEA to negotiate fairer training fees. Revenue from training activities will be generated from profits on member training fees after deduction of event costs. BDS providers will only be charged a brokerage commission in cases where the training leads to a request for customized individual business solutions.

The same needs assessment criteria apply for brokering customized individual business solutions. After diagnosing member needs, USEA will select BDS providers who are able to tailor solutions to address members' most urgent BDS challenges. Balancing between a member's available budget for the BDS activity and their need for quality solutions will be a particularly challenging task for USEA. To solve this challenge, BDS providers with the highest levels of experience and flexible solutions should be targeted. It is also imperative that USEA clearly outlines all key prerequisites (monitoring and reporting expectations) of BDS providers offering the service before matching them with members.

6.2. Possible Pricing for Brokerage

Members will be asked to pay BDS providers for any direct support received and BDS providers will be charged a brokerage fee. Given the highly variable nature of the prices of different services, USEA could apply commission brackets for defined price ranges after comparing ToRs and price quotations from BDS providers. Below is an example of potential commission brackets for bookkeeping services:

- UGX. 100,000 – 499,000 (USEA takes 4% of total invoice amount)
- UGX. 500,000 – 999,000 (6%)
- UGX. 1,000,000 – 1,499,000 (8%)
- <UGX. 1,500,000 (10%)

The average time businesses are willing to commit to BDS services per week varies: half of businesses interviewed were only willing to commit a few hours per week, whilst the other half were willing to dedicate more time to it, with regular time slots per day. Some companies were ready to set aside up to 3 days a week. CEO responses to this question were based on their company work schedules and overall staff capacity.

6.3. Expectations of USEA from Members

Members expressed greater willingness to pay if USEA provided "solid benefits in return". Members' expectations of USEA's role in the provision of BDS (and some wider expectations unrelated to this BDS role) are shown in the table below.

Table 11. Member expectations of USEA

	Member expectations	Rating by members	Solutions for USEA
1	Needs-focussed trainings and capacity building programmes	High	Organize trainings for specific business categories and needs rather than general workshops. Tailor capacity building activities to salient segment needs. Avoid generalized capacity building programs.
2	Member Engagement and Interaction	High	Create a position for member engagement in the USEA structure, continuously meet members to discuss needs.
3	Investment Readiness Support	High	Organize Investment readiness activities. Support members with financing documentation; business planning, financial forecasting, feasibility studies, and pitching.
4	Product Regulation and Enforcement of Standards	High	Strengthen advocacy against counterfeit products. Work with relevant regulators to penalize fraudulent distributors.

	Member expectations	Rating by members	Solutions for USEA
5	Lobbying and Advocacy	High	Lobby for more investment support, fairer tax policies, and government support for the solar industry.
6	Tax Compliance and Technical Trainings	High	Organize more tax compliance training workshops. Organize business model-specific technical trainings.
7	Research on the Solar Industry	Moderate	Work with BDS providers to publish growth-focussed research on the industry.
8	Industry-specific Insights	Moderate	Share up-to-date information on new technologies, new financing products and investment opportunities to steer growth.
9	Networking & Strategic Alliances	Moderate	More networking opportunities to encourage collaboration in innovation, marketing, and product development.

7. BDS Provider Insights

7.1. Willingness to participate and suggested fee structure

A total of 30 BDS providers were interviewed on their willingness to participate in the Model, the best pricing plans, and ideal collaboration practices to incorporate in the model.

BDS Providers were selected across different business development areas including; sales and marketing, financial management, brand identity building, advertising, business strategy, growth planning, tax compliance, insurance, technical trainings, management and leadership, human resource and organizational development, among others.

All but one of the providers interviewed expressed a willingness to be part of the model, citing the potential for long-term problem-solving relationships as the model's main attraction.

In relation to pricing plans, BDS providers tended to support a brokerage system:

- 83% expressed willingness to pay a brokerage fee to USEA for connecting them with its members.
- Providers emphasized that a fixed commission would not be advisable since the prices vary greatly – depending on the length of time and amount of work to be done.
- The commission suggested by the providers interviewed ranged between 4-10% of the total invoice amount of the service to be offered.
- Only 6% of the providers interviewed expected the service to be offered free to members.

7.2. Expectations of USEA from BDS providers

Similarly to members, BDS providers articulated a range of expectations that they would have of USEA as a BDS hub. Critical amongst these was active member engagement to generate a pipeline of work for providers. If work is not forthcoming through the BDS hub, providers will quickly lose interest and confidence in any model, whether based on paying a membership fee, or purely brokerage fees. Below is a table summarizing the issues highlighted by BDS providers and recommendations to address them.

Table 12. BDS Provider Expectations of the model and how USEA can respond

BDS Expectations	Level of Concern	Recommendations for USEA
1 Continuous Member Engagement	High	Appoint a member engagement team to continuously meet businesses to identify needs.
		Newsletters, emails, periodic meetings to regularly update stakeholders on progress of BDS activities.
2 Streamlined reporting lines	High	Clearly outline and communicate the specific reporting and due diligence obligations of BDS providers.
3 A well-defined USEA Role	High	Clearly outline what USEA's role in the model will be. Avoid undue interference with BDS activities.
4 Clear Monitoring & Evaluation Frameworks	High	Specify Monitoring and Evaluation procedures.
		Well-defined MOUs, ToRs, Service Contracts, and structured payment plans.
5 Incentives for Smaller Enterprises	High	Lobby for a possible loan scheme or BDS Fund for members who are unable to afford BDS.
6 Partnerships Beyond Consulting	Moderate	Organize joint research projects, Publishing of case studies, Sharing of industry best practices, knowledge-sharing networks.
		Extend association membership to insurance companies, banks, & investors for more growth opportunities.
7 Competitive and Fair Bidding Processes	Moderate	Allow fair competition among BDS providers for bigger consulting projects.

7.3. Key issues for BDS providers when engaging with enterprises and proposed mitigation measures

BDS providers were also asked about their past experiences of providing services, and highlighted a range of difficulties of working with businesses. USEA would need to play a role in managing and mitigating against these issues in order to attract BDS providers to deliver services through the hub. Poor leadership impeding the effectiveness of BDS support was raised as the main issue. BDS providers' concerns also extend into areas such as overreliance on the CEO, poor internal communications, poor planning and budgeting, and lack of staff empowerment plans. Below are the challenges identified, ranked in order of frequency of identification by BDS providers.

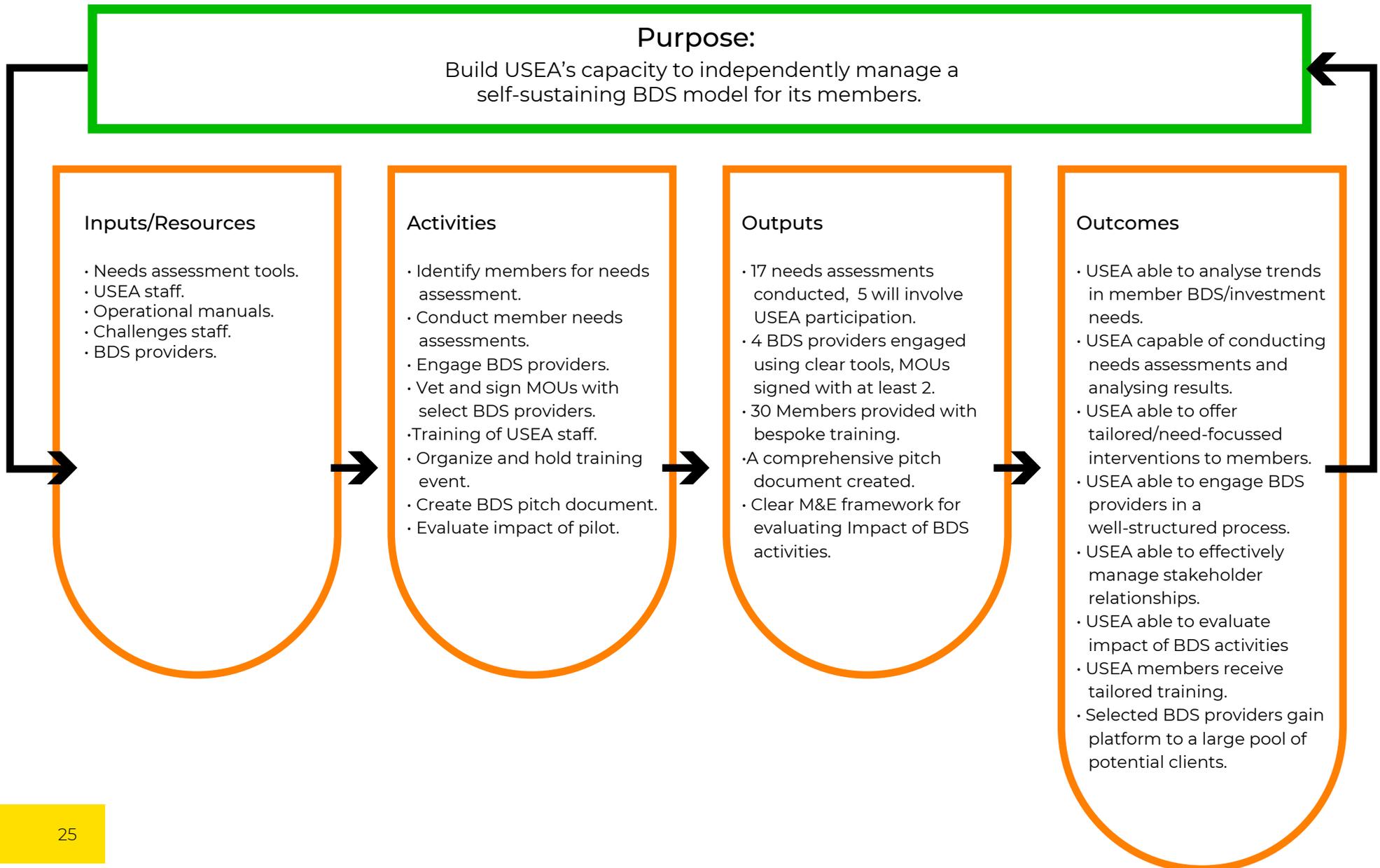
Table 13. Key Issues for BDS providers when engaging with enterprises

Key Issues	BDS Concerned	Effect on BDS Activities	Mitigation
1 Poor Leadership Skills	28	Poor communications limits effectiveness of BDS activities.	Prioritize leadership and management training for poor performing enterprises. USEA employing a Project Manager or having a focal point who will be responsible for overseeing the BDS process. Appoint a focal person in charge of member communications.
2 Poor Paying Culture	23	BDS is forced to apply tighter payment plans.	USEA monitoring to ensure adherence to payment schedules.
3 Disrespect for consulting timelines	20	Causes delays in activities increasing consulting costs.	USEA monitoring to ensure adherence to consulting schedules.
4 Poor planning and budgeting culture	14	Enterprises unable to budget for BDS activities.	Planning and Budgeting workshops for members.
5 High member staff attrition rates	10	Reduces Return on Investment of BDS activities	Leadership and Human Resource Management Trainings.
6 Resistance to new technologies	10	Limits consultant ability to implement effective internal controls.	IT, Innovation and Business Management Workshops.

8. Pilot BDS Hub Model

The Pilot model outlined below stems from the analysis of USEA's members and their expectations of the association, BDS Provider Survey insights, and feedback from the association's leadership. Feedback points to the need to build USEA's capability to assess and understand member BDS needs as a necessary precondition for the success of the BDS model. Furthermore, USEA will need to identify, engage and negotiate with BDS providers in the interests of its members. Interventions in the Pilot model will therefore be geared towards building the association's ability to manage day-to-day activities, continuously engage members and communicate BDS aims to members more effectively. It will provide the opportunity to further test the tools and manuals developed for USEA. Below is a logic model which provides a systematic representation of how the goal of having USEA as a self-sustaining BDS will be achieved. The model outlines the individual activities and key inputs required for the suggested pilot approach.

Diagram 6. Logic Model for Pilot Phase



8.1. Pilot Structure

8.1.1. Phase 1: Assessment of Member Needs

USEA will be supported to conduct a further 17 needs assessments of its members with guidance from Challenges. This will be a combination of identified USEA staff, who will be trained beforehand, and Junior Associates provided by Challenges. Challenges will second a staff member (over a period of 21 days) to assist USEA in managing the pilot process and provide comprehensive knowledge transfer. Additionally, they will help manage the Junior Associates, while refining tools and systems needed for USEA to successfully operate as a hub in the long-term.

This suggested approach towards member needs assessment has been adapted based on learnings from the needs assessment process documented above. The process will be conducted in the following steps:

- Identify members to target: Develop a list featuring diverse business models, sizes, product types, and financial position.
- Send introductory emails to members detailing: (i) the diagnostic process (ii) time required (iii) aims and objectives (iv) benefits to participants (v) non-disclosure commitments.
- Schedule group skype call to explain the needs assessment process and answer member questions.
- There will be a prerequisite for members to fill out their enterprise information beforehand and submit at least 3 days before needs assessment.

Rationale:

- Adequate and transparent information will enhance member compliance for the suggested activities.
- Clear objectives and value propositions outlined at the start will create member trust and increase their willingness to participate.
- Non-disclosure statements will motivate members to reveal potentially sensitive company information and growth objectives enabling informative analysis.
- A participatory session briefing the members on the activities and objectives will create more incentive to participate.

Resources Required

- Needs Assessment workbook.
- Operational Manuals.
- Needs Assessment Pitch (Presentation).
- Non-Disclosure Agreements.
- Database.

8.1.2. Phase 2: Brokering BDS Relationships

The USEA secretariat will be guided to identify, engage, and use the scorecard to vet 4 new BDS providers. They will be guided through the process of developing and signing an MOU with 2 of the 4 BDS providers. Challenges will develop a process map to guide the BDS engagement process covering:

- BDS Identification Process: research, contact, and interview.
- Scoring and Vetting.
- Validation/Follow up of BDS references and shortlisting.
- Developing tailored MOUs with standard terms of service.
- Service proposals and partnership agreements.
- Updating BDS roster.

Tools and Resources

- BDS scorecard.
- BDS scoring guidelines.
- USEA Database.
- MOUs.

8.1.3. Phase 3: Pooled Bespoke Training

This pilot is an opportunity to test member and BDS suggestions laid out in this report regarding trainings as a more efficient and cost-effective capacity development alternative. The model will be tailored to respond to emerging training needs of members as revealed in the diagnostic analysis. Challenges and USEA will be keen to gauge how members respond to need-specific trainings introduced under the model, and review accordingly.

Process and Timeframe

- Analysis will be conducted to identify the most critical training needs (of both enterprises previously assessed by challenges and new assessments conducted by USEA) and tailor trainings accordingly.
- BDS providers with the highest levels of experience and ability to offer tailored trainings in the identified areas will be selected.
- USEA will develop ToRs with selected providers detailing the expectations of the training.
- USEA, with support from Challenges, will review and refine the training for future rollout.

Pricing

Selected BDS providers will be expected to submit price quotations upon immediate completion of the vetting process. The prices quoted will be reviewed, and 50% of total training costs subsidized from the pilot budget. Participating members will pay 50% of the training fees, though the actual prices charged by BDS providers will be communicated.

USEA will be supported to profile and compare average training fees charged by individual BDS providers and negotiate for fairer packages for its members.

Responsibilities

Challenges will support USEA in operating the model and monitoring the process for future roll out. The table below outlines the support Challenges will provide USEA to ensure there is sufficient management of the process with adequate knowledge transfer, thus building USEA's capacity as it moves to become a BDS hub.

Training	Implementation
<ul style="list-style-type: none"> • Managing Relationships. • Interview techniques & negotiation skills. • Needs Assessments Tools. • Database training. • Monitoring & Evaluation 	<ul style="list-style-type: none"> • Conduct needs assessments. • Analysis and Interpretation of data. • Monitoring and Evaluation. • Other operational support.

8.2. Monitoring and Evaluation of the outcomes

Table 14. Monitoring and Evaluation Outline

	Outcome	Indicator	Target	Data Source	Frequency	Responsible	Reporting
1	USEA able to analyse trends in member BDS and Investment Needs.	Member Business and Investment assessments carried out.	20	Needs Assessment Workbook	Once; At end of Project	Challenges: Training on Use and Interpretation of tools.	End of Project Report
2	USEA able to offer tailored/Need-focussed interventions to members.	Number of members trained.	6	Attendance Sheets	3 Days	USEA & Challenges	Training Evaluation Report
		Number of Members satisfied with trainings.	At least 75%	Training Feedback From	1 Day	USEA & Challenges	
		Increase in Member Knowledge.	Average scores of 8/10 at post training assessment	Pre and Post Training Assessments	2 Days	USEA	
3	USEA able to engage BDS providers in a well-structured process.	Number of BDS Providers engaged.	4	BDS database	-	Challenges	End of Project Report
		USEA ability to interpret and use BDS tools.	80% satisfaction with training provided	USEA training Feedback	-	Challenges	End of Project Report
4	USEA able to effectively manage stakeholder relationships.	Project outputs successfully completed.	90%	Pilot Evaluation/ Stakeholder Feedback	-	USEA & Challenges	End of Project Report

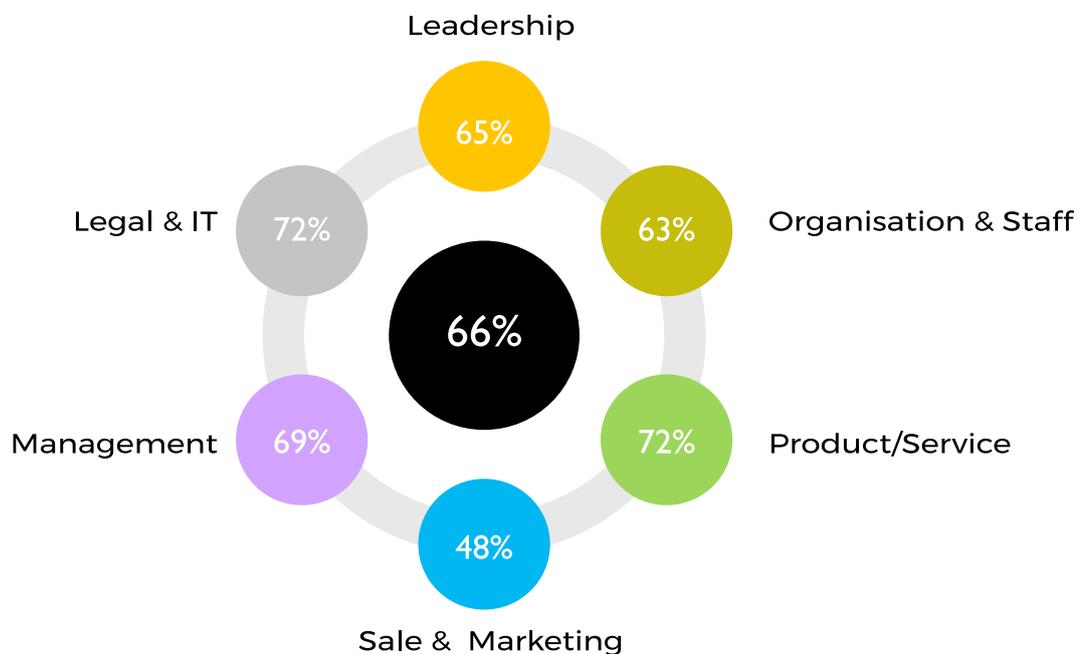
9. Updated Results from Additional Needs Assessments

Needs assessments have so far been conducted with 13 additional members out of the 17 targeted during the pilot process⁴. This means that in total 38 needs assessments have been conducted. Key findings from the additional analysis are presented below⁵.

9.1. Organisational Strength

The average scores for the 38 members assessed are displayed in the diagram below:

Diagram 7. Average organisational strength scores in the larger sample



Although there are minor changes to the average scores when this new data is included (slight decreases in leadership, organisation and staff and product/service scores and slight increases in financial management and legal and IT scores), the figures are still remarkably similar and are consistent with the picture that most of USEA's members are struggling with sales and marketing.

This also supports the pilot approach of viewing the needs assessment results from the initial phase of assessments as a representative sample of the BDS needs of USEA's membership in general, knowledge of which can then be used to create needs-based training pipelines.

⁴ Due to availability of members and USEA staff we were unfortunately unable to arrange visits with 4 other targeted members.

⁵ Note that during the second round of needs assessments we did not conduct any appetite for BDS surveys.

Specific issues in leadership and organisation and staff which seem to be creating deficiencies in sales and marketing⁶ are slightly more widespread in the larger sample and are as follows:

- Inexperienced management team.
- Unfilled management positions.
- Overreliance on CEOs.
- Lack of correct governance.
- Lack of appropriate strategy and organisational structure to deliver on strategy.
- Lack of appropriate target setting.
- Lack of operational planning capacity.
- Insufficient staff performance appraisals.
- Lack of staffing.
- Insufficient training for staff.

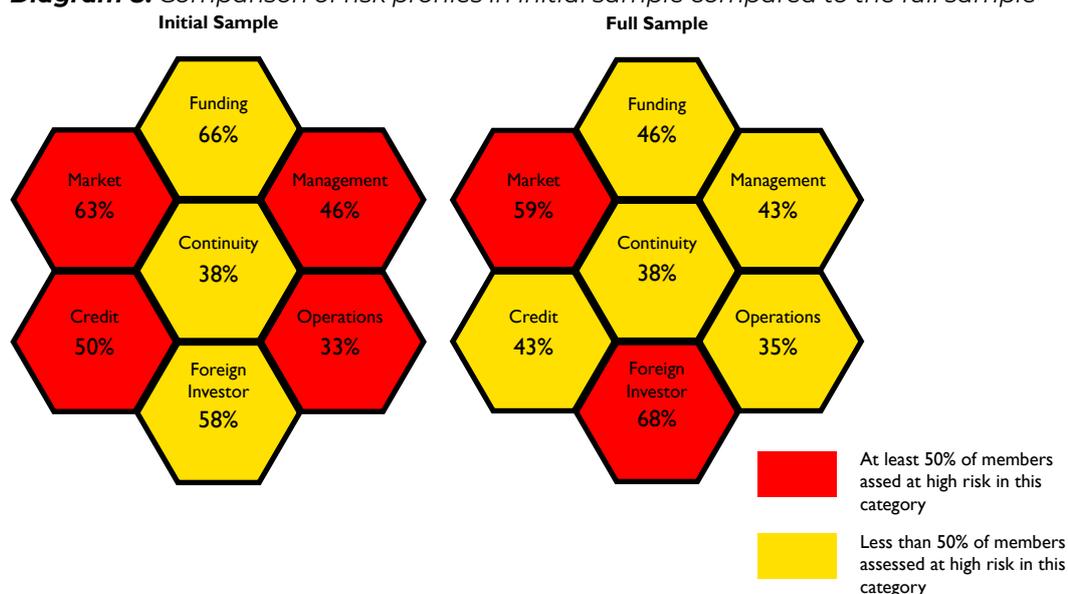
9.2. Investment Plans and Investment Readiness

A further 6 members expressed an intention to seek investment, bringing the total amount to 25 members (66% of the members assessed - A further member assessed stated that they were considering seeking investment). 76% of these members are seeking investment in the next 12 months.

In terms of whether members are investment ready the story is largely the same as before: only 42% of members urgently seeking investment are achieving high enough organisational strength scores (70% or above) to suggest that they are capable of absorbing any investment effectively.

Although the new assessments paint a slightly better picture of the risk profiles of USEA's members than before (see diagram below), a significant quantity of USEA's members can be considered to be high-risk investment prospects, particularly when it comes to understanding their market and exposure to foreign exchange rate fluctuations.

Diagram 8. Comparison of risk profiles in initial sample compared to the full sample



⁶ Based on assessing low scores for individual questions in the leadership and organisation and staff sections of the diagnostic for the 33 members who either (a) achieved their lowest score in sales and marketing or (b) scored below average in sales and marketing. Specific issues identified if 1/3 or more of the sample scored 2 or less in a specific question.

A new Due Diligence Checklist tool was completed by the 6 companies who expressed an intention to seek investment. Although this is a small sample, an important distinction can be observed between different considerations that may be faced by an investor. One member assessed scored higher than 70% in organisational strength and a due diligence checklist revealed that the organisation had over ¾ of the documents required by an investor. However, during the member's risk profile they were still assessed as being high risk in every category other than market risk. This highlights the fact that being operationally ready to absorb investment effectively and having the documents to prove this to an investor is not in itself sufficient for an organisation to be an attractive investment prospect; fundamental components of an organisation's business model may still cause prospective investors to view an "investment ready" business as high risk.

10. Summary of Key Insights from the Needs Assessment

Our research and analysis thus far in the project has generated some consistent and clear implications for USEA's development of a BDS hub for the solar industry:

A demonstrable demand for BDS support: The majority of USEA members consulted plan to seek BDS in the next 180 days.

A consensus of support for a brokerage model: Both USEA members and BDS providers support the concept of a USEA-led brokerage model.

A willingness to pay to access: The majority of members would be willing to pay to access services and would also explore various strategies to raise the funds to pay for support in the case of budget constraints; BDS providers would also support a brokerage fee mechanism.

A clear set of expectations about the role that USEA should play and the value it should deliver: Both members and BDS providers emphasized the particular importance of continuous membership engagement, monitoring quality of service provision, and good programme management, and they would require USEA to meet a consistent performance standard in delivering these functions. BDS providers outlined a set of perceived risks to working with enterprises, which would also need to be managed by USEA.

An efficient brokerage process: Members want to be able to source trusted advisors more easily and quickly, while BDS providers want clear briefs and processes to expedite the negotiating and contracting process.

Common areas for improvement across members, which could form the target intervention areas for the pilot and early roll out of services: The three weakest areas across the cohort of enterprises engaged are Marketing and Sales, Leadership and Management, and Organization and Staff.

Identified gaps in USEA's capacity which could hinder its ability to deliver the BDS hub to its full potential: Both members and BDS providers raised doubts about USEA's current ability to meet their expectations of a BDS hub; our organizational diagnostic also highlighted areas for improvement in internal practice.

This knowledge will enable USEA, with support from Challenges, to test a pilot BDS Hub model which has the potential for long-run sustainability.