

## **PUM management response Case studies PRIME**

From 2014 till 2017, the PRIME Partnership research partners conducted qualitative case studies in 5 different countries. The case studies were selected across continents and sectors to reflect the diversity of the sectors and (economic) contexts in which PUM operates. The selected cases are: Bangladesh - IT, Peru – Natural Ingredients, Bolivia – Tourism, Uganda – (Coffee and) Agriculture, Indonesia – Fisheries and Aquaculture. The purpose of the case studies is to provide an understanding of PUMs effects on business knowledge, practices and firm performance, as well as the contextual factors that shape the effect. Moreover, the additionally of PUM support to other available support is reviewed. In this note, you will find the response and lessons learned from PUM's point of view.

### **Positive effects**

The case study reports recognize that PUM assisted firms are overall very positive about contributions that PUM has made to the increase in knowledge, practices as well as business performance. Some examples from Bolivia, Uganda and Bangladesh are below.

In the Bolivian case study report a SME states in terms of improvements of business practices and the role of the expert: *"The right kind of expert, at the right time, can speed up the overall development of the firm."* An SME explains this by emphasising that not only the advice was knowledgeable, but also the vision on the business was helpful.

In the Ugandan case study report, a SME mentioned that it's improved in developing future business opportunities through a business plan, which enabled them to receive additional investment.

In the Bangladesh case study report a SME mentioned, it learned to differentiate clearly between program and project management. As a result of this *"[...] the supported SME was able to improve its management capacities, implement more decentralized decision making and thereby raise productivity."*

### **Lessons learned**

#### *Access to Finance*

All reports address the challenges of PUM supported firms to retrieve access to finance (e.g. loans, investments) in general and to implement the PUM advice. PUM recognises this challenge and has made an inventory of financing institutions in the Netherlands, their preferences and requirements, and is starting with a pilot in 2018 in two countries to link firms requiring capital with financing institutions, after supporting the firms with improvement of their business plans.

#### *Role of the Local Representative*

The case studies have signalled multiple points of attention regarding the role of the Local Representative (LR). First of all, the report states that not in all cases the LR have followed PUMs intake criteria and there are some complaints about the process and communication on the application. PUM has clear intake criteria in place, and guidelines for LRs to follow. In January 2018, PUM has taken action to ensure implementation of these guidelines during intake.

Secondly, the case studies have shown that the Local Representative cannot fulfil his or her full potential in acquisition of follow up missions, because of a lack of information about the client due to confidentiality. This is more complex to tackle. PUM acknowledges that the Local Representative should get more information about the client and is currently exploring how this can be realised. On the other hand the objectives of the confidentiality agreement remain valid: to protect the client

against potential conflicts of interest with Local Representatives, often involved in competing businesses.

#### *Follow up and sector approach*

The case studies show that PUM assisted companies are interested in multiple missions by PUM, and/or follow up after the mission to increase impact. In addition, the case studies point to the value of a more sectorial approach, with the opportunity for long term and collective activities. This tells PUM that it should expand opportunities for customers to access multiple - and follow up missions, and no longer only work through 'one-off' missions. As a response to this, PUM is currently developing a programmatic approach in which a cluster of clients are supported over a longer period of time. For 2018 a target has been set at 5% of PUMs work, and 50% in 2020.

#### *Matching: language and regional knowledge*

The case studies point out that sometimes there is a mismatch between a SME and an expert in terms of knowledge of the subject matter, the region and proficiency in the local language. ). Matching SME and expert on the subject matter is a core activity of PUM. However, some mismatches between supply and demand of experts will continue to occur. To ensure regional and intercultural knowledge, PUM has an on-going intercultural advisory training for all experts. Regarding the local language skills PUM will intensify it's recruitment of Spanish- and multi-lingual experts.

#### *CSR issues*

Some Corporate Social Responsibility (CSR) issues exist in PUM assisted firms, specifically in hotels in Bolivia. It is unclear for the researchers whether specific follow up has been given to CSR issues. PUM has installed an Ethics committee to assess (amongst other tasks) if PUM should assist these kind of firms at all, and advice the PUM organisation accordingly. In addition the programmatic approach and better use of monitoring data should lead to a better follow-up on signalled CSR issues.

#### *Cases study methodology*

The methodology served it's purpose in the exploratory phase of PRIME. As PUM has more experience now, PUM wants to shift the focus to evaluating results against targets set, rather than only assessing whether the intervention logic is effective.

### **Conclusion**

We are happy with the recognition by the researchers of the very positive effect of PUM on the knowledge, practices and performance of SMEs, although there are lessons learnt as well. The case studies demonstrate that PUM has an added value to the SMEs, complementary to and not competing with local consulting services, since these were perceived as either unavailable, too expensive or of lower quality. The PUM proposition has a high additionally in the tourism, IT, fisheries, natural ingredients and agricultural sectors of the selected countries. PUM's services remain relevant.