

## Going **BEYOND** Awards

# SEED NETWORK BY IDEOS

## HEC Montreal, Canada

### Program Description

SEED Network, which stands for Scaling Entrepreneurship for Economic Development, is a cross-sectoral partnership led by IDEOS – Social Impact Hub of HEC Montréal, in collaboration with Développement International Desjardins (DID), international funding agencies, local partners and research teams (professors and students) from partner universities.

The primary mission of the network of researchers and entrepreneurship program Promoters is to mobilize research, teaching and practice for the scaling of micro-enterprises locally and internationally. This research partnership and DID's longstanding presence in partner countries are two key factors for implementing evidence-based solutions with the input of the populations that we seek to impact. As a cross-sector partnership it creates and validates a methodology aimed at helping develop the capacities of Local Promoters in addressing scaling barriers of micro-enterprises through experimentation and the production of business cases. This methodology is shared with local promoters in different contexts to have a multiplier effect and scale its impact.

By doing so, marginalized populations have the chance to become entrepreneurs, increase well-being of their households, better preserve local environment (when located in rural areas) and improve resilience of local communities.

Each project is based on 4 main phases:

## Going **BEYOND** Awards

- 1) Qualitative interviews with beneficiaries (marginalized entrepreneurs, local promoters, etc) to identify main issues that need to be addressed.
- 2) Co- construction of training material to address the issues identified in phase 1. Co-design is performed with Local Promoters and a field experiment design is prepared.
- 3) Delivery of experiments with different groups for treatment and control and multiple data collection points. Quantitative analysis are conducted to find main differences between groups.
- 4) Qualitative interviews with entrepreneurs who have participated in the program to get better understanding of the quantitative results and prepare final recommendations to partners.

The scaling of micro-enterprises represents a decisive opportunity for local development as it can foster the transition from a subsistence-based economy to a opportunity-based economy. However, scaling micro-enterprises requires a favorable entrepreneurial ecosystem, in which Local Promoters have the capacity to assist micro-entrepreneurs in their growth efforts. International Promoters have been working for years to develop the capacity of Local Promoters, however the results of these efforts to assist the scaling of micro-enterprises are generally limited to the duration of collaboration on a specific project.

DID has therefore partnered with IDEOS to provide technical support to local organizations with the goal of fostering entrepreneurs' development and enhancing their individual and collective autonomy. The SEED projects have involved and empowered Master's and Doctoral students, specializing in business management/entrepreneurship for social impact/innovation, as research assistants. Graduate students have had the opportunity to work in this large-scale research project and collaborate directly with scholars in North America and Europe. This has permitted them to gain an authentic overview of the realities and delivery of international development projects. Participating in SEED projects has allowed them to build their networks and pursue their education through experiential learning. Likewise, they have been able to develop practical research skills and sector knowledge by putting into practice theoretical learnings. It has also enhanced their understanding of entrepreneurs and entrepreneurial ecosystems, in different contexts, cultures and socio-economic situations.

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### Program Impact and Success

In 4 years, SEED has already had tangible impacts in developing context and culture-relevant solutions to scale micro-enterprises. Its participatory research approach has yielded evidence that can inform the adaptation of business scaling methodologies in different socio-politico-economic contexts.

Through an experimentation approach that supports the empowerment of local communities, 3 contextually and culturally adapted projects have contributed to equip micro-entrepreneurs, mostly from underprivileged communities, to scale their businesses. The first development project was in rural Sri Lanka. IDEOS was tasked with providing expertise to SANASA, a local microfinance cooperative. The initial objective was to support 5,000 agricultural micro enterprises in their entrepreneurial scaling efforts.

Through this research, resistance to change and lack of innovation within the project were identified as the main barriers to development for the 500 pilot participating micro-entrepreneurs. Rather than seeking to stand out to grow, the farmers observed were copying their competitors, which undermined their financial security and hindered the development of the local ecosystem. Building on these initial results, SEED research team, using field experiment methodology, tested the effect of two different innovation approaches.

One of them proved to be significantly more successful and better adapted to the local entrepreneurial community. SANASA thus gained an effective and validated innovation training method derived directly from its reality. SEED exceeded its initial target: a total of 8,000 entrepreneurs received the training. Another SEED project was carried out in Tunisia in association with Global Affairs Canada, DID and the local foundation DAAM, to support the advancement of Tunisian women entrepreneurs.

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The main objective was to strengthen the participants' growth, innovation, resilience and leadership capacities. The research team began by pinpointing main barriers to the development of female entrepreneurial leadership in Tunisia: lack of opportunities for dialogue and the difficulty in ensuring work-family balance. During this project conducted with 230 women entrepreneurs, 2 training programs were delivered to 2 distinct groups of participants.

The content of both programs was the same, but the entrepreneurial approaches differed: one focused on market and the other on community. The study found that 2 main criteria must be taken into consideration when supporting women entrepreneurs in Tunisia: the age of the woman entrepreneur and that of her business. Now, with a more adapted training, DAAM has been able to train more than 500 women, in 11 cities in Tunisia, with a better understanding of their realities. SEED recently completed the delivery of its latest entrepreneurship and leadership training project *Mujer Avanza* in Colombia, in partnership with *Finanfuturo*, a local micro-finance institution.

A total of 178 women entrepreneurs completed the program. SEED research team is in the process of analyzing collected data and results will be shared with partners, which will allow *Finanfuturo* to offer an appropriate training program to more women across the 7 departments of Colombia where their services are available. Thanks to the success the program has already garnered, *Finanfuturo* launched a new credit line *Mujer Avanza*, designed specifically for the participants (and future participants) of the program.

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### SDG IMPACT (WHAT SDG'S DOES THE PROGRAM ADDRESS?)

- SDG 1 - No Poverty
- SDG 5 - Gender Equality
- SDG 8 - Decent Work & Economic Growth
- SDG 9 - Industry, Innovation, & Infrastructure
- SDG 10 - Reduced Inequalities
- SDG 17 - Partnerships for the Goals



  
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### LOOKING FORWARD

As the technical partner of DID for several future projects, SEED Network is expected to participate in the creation of projects in different countries in Africa, and in Latin America and Caribbean. In January 2023, a project supported by Global Affairs Canada will start in Haiti. In collaboration with DID, Pole Ideos from HEC Montréal will

- 1) train women and rural entrepreneurs in the South and North of the country,
- 2) reinforce capabilities of Local Promoters of entrepreneurship programs,
- 3) reinforce capabilities of two local universities by the creation and support of two chairs of research and
- 4) train women managers of financial institutions in the country. Other projects are expected to start by the second semester of 2023 and by 2024 in Senegal, Morocco, Côte D'Ivoire, Bénin, and Bolivia.

Altogether, SEED network is ambitious to become a source of knowledge generation and transfer in which Pole Ideos can contribute to more effective international development projects and empowerment of marginalized entrepreneurs.

LINK PROGRAM WEBSITE IF APPLICABLE:

<https://ideos.hec.ca/en/organizations-entrepreneurs/seed/>