

INVESTMENTS INTO PROMOTED BUSINESS PRACTICES / MODELS

Outcome indicator

Indicator Phrasing

English: % of [specify the target group] who covered at least [specify the %] of the total costs of adopting the promoted business [select: practices / model]

French: % de [spécifiez le groupe cible] qui ont couvert au moins [précisez le %] des coûts totaux d'adoption des [sélectionnez : pratiques / modèle] commerciales promues

Portuguese: % de [especificar o grupo-alvo] que cobriu pelo menos [especificar a %] dos custos totais da adopção [seleccionar: das práticas / do modelo].do negócio promovido

Czech: % [určete cílovou skupinu], kteří pokryli alespoň [určete %] celkových nákladů osvojení propagovaných obchodních [určete praktik / modelů]

What is its purpose?

The indicator assesses the proportion of the targeted businesses who covered at least a predefined minimum of the costs (e.g. 60%) of adopting the promoted business practices / overall business model. It indicates the extent to which they perceived that the practices are worth the investment. It is important to measure as contributions can demonstrate the value, commitment and ownership the business has attached to what the project has promoted.

How to Collect and Analyse the Required Data

Determine the indicator's value by using the following methodology:

1) **List a limited number of the most important business practices** promoted by the intervention (e.g. less than 5 practices – more would be time-consuming to measure). These can include, for example, new marketing methods, use of a new accountancy system or new ways of recruiting staff. Alternatively, you can just select a specific business model that your intervention encourages businesses to adopt.

2) If you decided to focus on specific business practices (as opposed to an overall business model), **assess which of the promoted practices were adopted**. You can take advantage of the guidance included in indicators [Adoption of the Promoted Management Practices](#) and [Adoption of the Promoted Marketing Practices](#).

3) Per each targeted business, use interviews / reviews of financial documents / reviews of the M&E data to **identify how much of its own (including borrowed) money the business invested** in adopting the promoted business practices / model the business covered. Ensure that you also count the costs of people's time, as this often is the most costly investment.

4) Per each targeted business, **identify how much money your project** (and/or any other actor that provided support) **spent** on supporting the adoption of the promoted business practices / model.

5) **Count the number of businesses** which covered the minimum proportion of the costs of adopting the promoted business practices / model.

6) To **calculate the indicator's value**, divide the number of businesses which covered the minimum proportion of the costs of adopting the promoted business practices by the total number of surveyed businesses. Multiply the result by 100 to convert it to a percentage.

Important Comments

1) The collection of the data required for this indicator can be relatively time-consuming. Therefore, **use this indicator only if you target a small number of businesses.**

2) If you target **businesses / entrepreneurs of a similar size** and you can estimate the expected costs of the investment, you can simplify the indicator by changing it to: *"% of [specify the target group] who contributed at least [specify the amount + currency] to the costs of adopting the promoted business practices.*

3) This indicator can be used to assess the extent to which an intervention has contributed to 'systemic change', or changes that show important attributes of sustainability and scale. It can help show the extent to which an innovation or practice introduced by a project to have a pro-poor impact is owned and committed to by the targeted businesses. This addresses the 'Adopt' stage, the first stage in the Springfield Centre's Adopt-Adapt-Expand-Respond systemic change framework. More information on the framework, including suggestions for indicators to measure systemic change, can be found at the link below.

Access Additional Guidance

- Miehlabrad, A. and Posthumus, H. (2018) [Gathering Information from Businesses](#)