

Malawi Capacity Building for Enterprise Project

Malawi is not yet a developed market for consultancy services. Demand is weak in all sectors, partly for cost reasons but also because of generally negative perceptions of the quality and reliability of local consultants. Those large companies that can afford it tend to employ foreign consultants. The demand from medium and small enterprises is, in the main, latent. Many are alive to the potential benefits of making their businesses more productive, profitable and sustainable. But few, at present, are prepared to invest the necessary resources, constrained as they are by doubts about value for money and lack of confidence in the consultants available to do the job at a reasonable price.

The challenge the Government of Malawi and the World Bank have taken on is to convert the latent interest in consultancy support into an effective demand for it. The vehicle they have jointly created for this purpose is the Business Growth Scheme (BUGS), whose remit is to help strengthen the private sector and improve service delivery to those that need it most - indigenously owned micro, small and medium enterprises (MSMEs). BUGS has been operating for almost two years, but is making slower progress than anticipated, mainly because of a shortfall in local consultants capable of satisfying the demand that is being generated.

Following a successful pilot study, funded by the Scottish Government, the Scotland Malawi Business Group (SMBG) and Challenges Worldwide (CWW) have put together their own related project, Capacity Building for Enterprise (CBE), which aims to complement and underpin BUGS. CBE is a development project, but one that will be run on commercial lines. It will focus on building indigenous consultancy capacity and expertise in Malawi in a sustainable way, while at the same time delivering timely, practical advice and guidance to the MSME sector.

CBE plans to use UK consultants, working on a *pro bono* basis, as its primary resource. Their role will be to lead and direct consulting engagements and train and guide local associate consultants and apprentice consultants specifically recruited for CBE. The apprentices will acquire professional expertise and qualifications through a combination of a structured two-year training course and on the job training and mentoring from their UK and senior Malawian colleagues.

It is anticipated that the first group of UK consultants will be Training Design, Development and Delivery specialists. The second group will be Strategy and Generalist experts, with wide experience of different types of engagement, including Effective Communications and Business Analysis. Thereafter, the skills sought will reflect specific demand, for example in such areas as Supply Chain, Six Sigma, Financial Management and Analysis and Client Relations Management.

Although UK consultants will be recruited as *pro bono* volunteers, their professional services, and those of the apprentices and associates working alongside them, will as a general rule be charged for in the normal way, in some cases at concessional rates. The revenue thus generated will be used to cover some running costs and to finance the

creation of a Development Fund. It is not the aim of CBE to undercut other local consultancies competing for full-price engagements. Rather it is to provide consulting services to businesses that have a real need, but either have no confidence in local providers and/or are unable to afford the full current market cost of such support.

The CBE proposal has been developed through discussions with the Government of Malawi, the World Bank and the management of BUGS. They are all supportive of its aims and welcome it as an imaginative contribution to the collective task of expanding and improving the efficiency of the private sector.

A proposal for a 2/3 year programme is now before the Scottish Government for support under its International Development Fund. As the budget includes provision for flights, accommodation, local transport, insurance, a contribution towards inoculations and a small stipend, participating UK consultants can expect to incur minimal costs.

If you are at all interested in learning more about this project, please contact Daliah Haughton, Operations Manager at Challenges Worldwide to register your interest:

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