

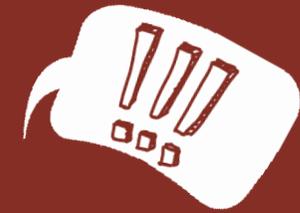
STARTER APPLICATION TOOLKIT

First steps to build your eco-enterprise!



This toolkit is provided by SEED for SAG-SEED Starter Workshops within the EU-funded SWITCH Africa Green project "Promoting Eco-Entrepreneurship in Africa"

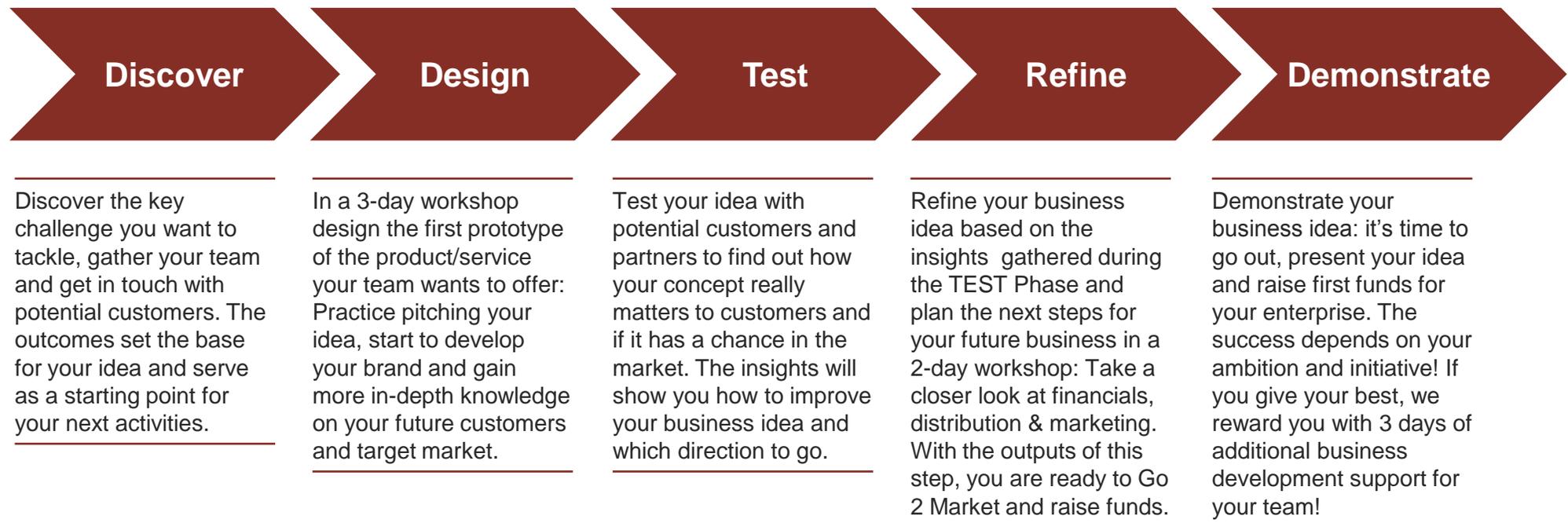
What's it all about?



Do you want to become an eco-entrepreneur and find solutions for one of the key challenges your country is facing?

Then the Starter is what you have been waiting for. Building an enterprise takes many different tasks, from stepping into the shoes of potential customers in order to design a product or service to running a marketing campaign. A single person, or even most teams of motivated people, can easily feel overwhelmed. The Starter shows future entrepreneurs where to start to turn their ideas into reality. By asking the right questions, it guides you through the process of setting up your enterprise. What it does not do is to offer ready-made solutions – with a bit of guidance you are about to discover the best solutions yourself!

The five phases of the Starter



How to use the Starter toolkit?

The Starter Application Toolkit provides you with guidance to successfully complete the Application Form for the SWITCH Africa Green – SEED Starter!

The Application Toolkit consists of 3 tools. Each of the three tools starts with a short overview **when** the tool can be used, **what** you do in the tool, **how** the tool is best used, and which **key outcomes** are expected. On a second page, the different steps of each tool are explained.

The explanation is followed by templates. Arrows on the sides of the templates indicate which step is relevant for this part of the template. You can print out the templates or draw them on a piece of paper to complete them.

- The application form asks you for your key results from the Starter Application Toolkit
- You have questions? Contact us at:
 - starter-burkinafaso@seed.uno for Burkina Faso
 - starter-ghana@seed.uno for Ghana
 - starter-kenya@seed.uno for Kenya
 - starter-mauritius@seed.uno for Mauritius
 - starter-southafrica@seed.uno for South Africa
 - starter-uganda@seed.uno for Uganda



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Customer Analysis

When?

Before diving deeper into developing a business idea, there's no way around knowing your potential customers inside out. Go back to this tool as you gain new information about customers. It's also a good idea to use it when you plan on adding a new customer group. The *Target Market Analysis* TOOL complements this tool.

What?

Customers stand in the centre of any successful business. Even the best idea is worthless if no one buys the product or service. Most enterprises serve different groups of customers (customer segments) that share certain characteristics. Identifying the different segments in the first step helps you to learn more about each of them. Once you have stepped into your customers' shoes, you can target your product or service and marketing activities better.

How?

Sit down with your team to think about what characteristics separate your potential customers into groups. Once you have identified the customer segments, it's time to go out and speak with your potential customers to gain a better understanding of their needs.

Steps

Step 1 Identify Customer Segments

Step 2 Understand Your Customers



Key outcomes

- Get to know potential customer segments for your product or service
- Make sure the whole team understands who the potential customer is
- Set the basis to build a customer-centric business model
- Create products people need

Steps

Step 1 Identify Customer Segments

First, divide the large pool of potential customers into customer segments. Customer segments are groups of customers who share certain characteristics or behave in a similar way.

- What will influence the preferences of potential customers towards your product or service?
- Will individual buyers have different expectations and needs from small stores? What about government institutions, NGOs or businesses?
- Will grandchildren have different expectations and needs than their grandparents? What about men and women, people with different religions, incomes, education levels or professions?
- Will people in rural areas have different expectations and needs from urban citizens? What about people in City X and City Y?
- Will people who have different knowledge about your product or service have different purchasing and usage patterns? Buy it more or less often, use it more or less often or use it in different ways?

Answering these and similar questions will help you to identify the factors that mark the differences among your customers and to come up with your customer segments. Complete the information you gathered in the *Your Customer Segments* WORKSHEET on the following page. We have left space for up to 5 customer segments, you should identify at least two. The *Title* of a customer segment should already be specific, for example 'breast-feeding moms in rural areas' or 'plastic processing plants in Maputo'.

Step 2 Understand Your Customers

Out of the customer segments you identified in Step 1, select the ones that appear most important for you, for example because of their size, because they are most likely to buy your product or because they are the easiest ones for you to reach.

For each of your key customer segments complete the WORKSHEET *Your Empathy Map*. We provided up to three *Empathy Maps*, but you do not have to complete them all.

The *Empathy Maps* ask you to step into your customers' shoes: What does he/she think, say, see, do, feel, and hear? You can answer the questions best by speaking with your potential customers. Discussions with your team and internet research, etc. can help as well.

It's easier to answer the questions if you imagine one person or organisation that stands for each segment. Write the name and age of that representative person or organisation in the middle of the *Empathy Map*, in addition to the title of the customer segment.

You will find relevant key questions for your EMPATHY MAP on the next page!

Steps

→ What does she/he think?

→ What matters most to her/him? What moves her/him? What are her/his dreams? Which may be her/his worries?

→ What does she/he say?

→ What does she/he tell others? What is his/her attitude? Does she/he influence others?

→ What does she/he see?

→ What kind of products/services does your customer see in the market? What attempt is being made to influence her/him?

→ What does she/he do?

→ What is she/he constantly trying to improve? What activities does she/he cherish doing? How does she/he spend their time?

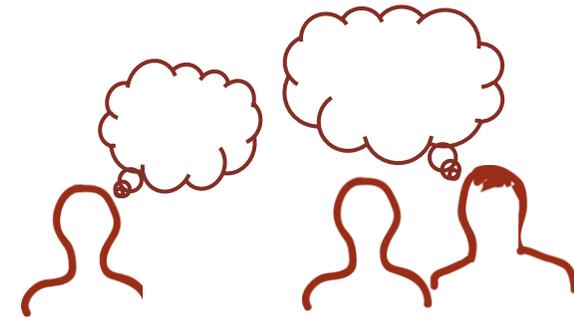
→ How does she/he feel?

→ What does she/he experience in relation to your product or service domain? This experience can be negative or positive.

→ What does she/he hear?

→ What do friends say? What do her/his influencers say? What media channels influence her/his opinions on products and services?

Go out and speak to your customers!



Only then you'll know how your enterprise can fulfil their needs; and design a product/service people are willing and able to pay for!

Your Customer Segments

Step 1

Key segmentation characteristics for your product or service



Customer Segments

Title

--	--	--	--	--

Description

--	--	--	--	--

Your Empathy Map 1

Step 2



What does she/he **think**?

What does she/he **hear**?

What does she/he **say**?



Who's she/he?

What does she/he **feel**?

What does she/he **see**?

What does she/he **do**?

How did you learn about your customer?

Problem-Solution Fit

When?

This tool is important to the start of your enterprise, when you are developing business ideas and selecting the focus of your enterprise.

What?

Every business needs to solve a problem for its customers for them to be willing to pay for the products or services offered. Eco-inclusive enterprises further consider challenges of employees, suppliers, the local community and the environment. In the first step, you will deepen your understanding of your customers' problems, and challenges other stakeholders are facing. The second step provides an open brainstorming session to think about potential solutions. In the last step, you and your team will select the best solution for the needs of your customers and for the social and environmental issues you wish to address.

How?

The Problem-Solution Fit is best done in an open brainstorming session with your team to get many potential solutions on the table. Initial discussions with your customers (see *Customer Analysis TOOL*) and research on the key challenge you are addressing will be useful.

Steps

Step 1 → Understand the Problem

Step 2 → Brainstorm Solutions

Step 3 → Select Your Solution



Key outcomes

- Understand the key problems customers face
- Understand the challenges other stakeholders along the value chain face
- Understand the positive change you can make for the environment
- Select the best solution your enterprise can offer to solve the needs of customers, other key stakeholders and the environment

Steps

Step 1 Understand the Problem

The first step to come up with the 'added value' your solution can offer is to understand the problems that your customers, other key stakeholders and the environment are facing. Answer the following questions to complete the first part of the WORKSHEET *Problem-Solution Fit*.

→ **What makes the lives of your customers more difficult and what makes it easier for them every day?**

Extensive information on your customers, e.g. from the *Customer Analysis TOOL*, serves as a basis to identify your customers' problems.

→ **How many people are affected by the problem and how important is it for your target group?**

Knowing roughly how many people face the same challenge and how important it is for them, gives you an idea of the market size.

→ **Do other stakeholders face any challenges?**

Every enterprise has an impact along its value chain (employees, suppliers, distributors) and on the local community where it operates. Considering challenges besides those of your customers will help you improve your social impact.

→ **How can you impact the environment positively?**

Along its value chain (from sourcing raw materials, over production, to distribution, consumption, and disposal), every enterprise has an impact on the environment. Think about those impacts and how you can use them to have a positive impact on the environment.

→ **What are the existing solutions and who is offering them?**

For each of the problems identified, some solutions likely already exist. These might only partially solve the problem or generate other problems, but they offer insights into future competitors or partners and areas for improvement.

Step 2 Brainstorm Solutions

Start brainstorming potential solutions. This step is all about creativity. List all potential options in the second part of the WORKSHEET *Problem-Solution Fit*. Even solutions that seem 'crazy' are encouraged, the selection of the best and most feasible ideas is done in Step 3.

→ **What can you do to solve your customers' problems?**

→ **What can you do to solve challenges other stakeholders and the environment face?**

Step 3 Select Your Solution

Out of the many different possible solutions, select the one that provides the best solution for the problems you identified. Selecting one solution can also mean combining aspects from different solutions. Enter the solution in the last part of the WORKSHEET *Problem-Solution Fit*.

To come up with your solution, consider and discuss the following questions:

→ **How does the solution address the problem you identified for customers? How does it address the challenges for other stakeholders and the environment?**

→ **Is the solution feasible? What are the financial, technological or human resources needed? Will the solution make money?**



Keep in mind, this is only the best solution given your current knowledge. It will be refined and might change partly or completely while you are developing your business model and gathering more information on your potential customers and the context of your enterprise.

Problem-Solution Fit

	Customer Problem	Challenges for Other Stakeholders & the Environment			
Description		Step 1			
Potential Solutions					Step 2
Solution	Step 3				

Team Building

When?

Especially at the beginning of setting up a new enterprise, this tool is useful to see what human resources you have and which ones are still needed. It can also be used at later stages when you are planning on scaling-up.

What?

Starting a new business requires a set of skills and effort that no single person can bring to the table. It is key to bring together the right people from the start to ensure the successful development of your idea. This tool helps you identify which skills the team will need to lead the enterprise to success, and which skills already exist in your team. Matching the skills you need with the ones you already have will show the strengths and weaknesses of your team and help you come up with the next steps to build a stronger team.

How?

This exercise should be done in a short brainstorming session (1-2 hours) together with the complete team and, if applicable, with external consultants providing services to your enterprise.

Steps

Step 1 → Identify Skills Needed

Step 2 → Identify Existing Skills

Step 3 → Analyse Results



Key outcomes

- List the skills needed for the enterprise
- Understand the strengths and weaknesses of the existing team
- Identify the next steps to build a stronger team

Steps

Step 1 Identify Skills Needed

The first step is to come up with the skills you will need to successfully turn your idea into a business. What you need depends on your idea, the following list provides a starting point:

- ✓ Accounting & financial planning experience
- ✓ Sales & customer knowledge
- ✓ Supplier management
- ✓ Management skills
- ✓ Technical knowledge
- ✓ Product design skills
- ✓ Graphic & web design skills
- ✓ Relationships to important actors
- ✓ ...

And don't forget, motivation and dedication are among the key skills all team members need!

Enter the *Needed Skills* you identified in the top row of the WORKSHEET *Your Needs-Skills Match*.

Step 2 Identify Existing Skills

List the names of all the existing *Team Members*, and people who you closely cooperate with or expect to join your team on the left in the WORKSHEET *Your Needs-Skills Match*.

For each of them, check which of the needed skills from Step 1 they bring to the team. If you want, you can also add comments.

Step 3 Analyse Results

Now that you found out what you need and what you have, it is time to take action. Based on your completed WORKSHEET *Your Needs-Skills Match*, discuss the following questions:

- ➔ **Is your team set to turn your idea into a business?**
- ➔ **Are there any skills/expertise that will be crucial to start your idea that your current team members do not have? How can you get access to those skills?**
- ➔ **Are there any team members with similar skills? How can we work together as a team?**
- ➔ **Does anyone have a skill you did not identify as needed? Can this skill be of use for your enterprise?**

Use your results to answer the question *Is your team well-placed to turn the idea into a business?* in the last part of the WORKSHEET *Your Needs-Skills Match*.

Your Needs-Skills Match

		Needed skills							Step 1
Team members	Step 2								



Is your team well-placed to turn the idea into a business?

Step 3

About SEED

SEED is a global partnership for action on sustainable development and the green economy that was founded by the United Nations Environment Programme (UNEP), the United Nations Development Programme (UNDP) and International Union for Conservation of Nature (IUCN) at the 2002 World Summit on Sustainable Development in Johannesburg. SEED is based on the understanding that the promotion of social and environmental enterprises is pivotal to a world of flourishing communities where entrepreneurship drives sustainable development.

SEED's comprehensive programme triggers the full potential of market-based mechanisms to avert environmental degradation and tackle social problems. From an annual global awards scheme that scouts for and supports the most promising innovative and locally-led social and environmental start-up enterprises in developing countries to enhancing the quality and capacities of business development service providers – SEED builds the ecosystem for social and environmental entrepreneurship.

SEED is hosted by adelphi research gGmbH, based in Berlin, Germany. Partners in SEED, in addition to the Founding Partners, are the governments of Flanders, Germany, India, the Netherlands, South Africa, and the United States of America; Conservation International; the European Union; SWITCH-Africa Green; Hogan Lovells; UNIDO; UN Women and SEED's Corporate Partner, Hisense.

SEED Founding Partners



SEED Partners



SEED Hosting Partner



About SWITCH-Africa Green

The SAG-SEED Starter in Burkina Faso, Ghana, Kenya, Mauritius, South Africa and Uganda is part of the multi-country project “Promoting Eco-Entrepreneurship in Africa” implemented by SEED under the SWITCH-Africa Green Project. The contents of this publication are the sole responsibility of the project implementer. To learn more about the different components of this multi-country project please visit: www.seed.uno/sag.

SWITCH-Africa Green is implemented by UNEP with the assistance of the European Union.
Project Partners in SWITCH-Africa Green are:



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