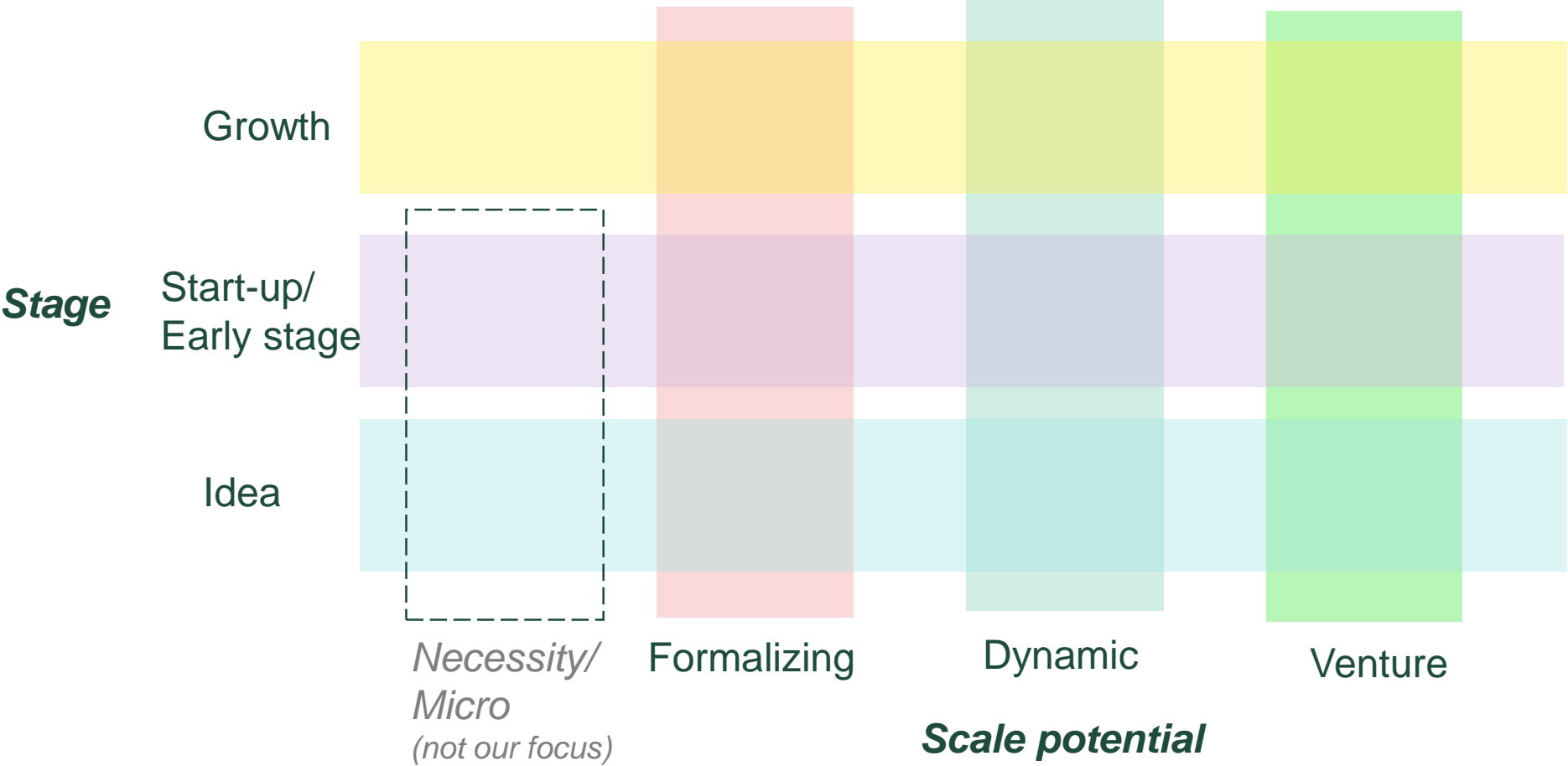


“Salaried wage jobs are the distinguishing feature separating the middle class from the poor in developing countries”

(Banerjee and Duflo 2008)

Segmentation of SMEs

- **Growth orientated SMEs** account for disproportionate amounts of economic development and employment growth
- We encounter them at **different stages** of development and on **different growth trajectories**





8 Years



29k

Enterprises shared annual performance data (many more participated in programs)



100+

Projects and 500+ cohorts were analyzed to identify what works



60+

Organizations targeting different stages and enterprise profiles were evaluated



Learning initiatives



Research initiatives

Multiple research initiatives were funded



Academic papers

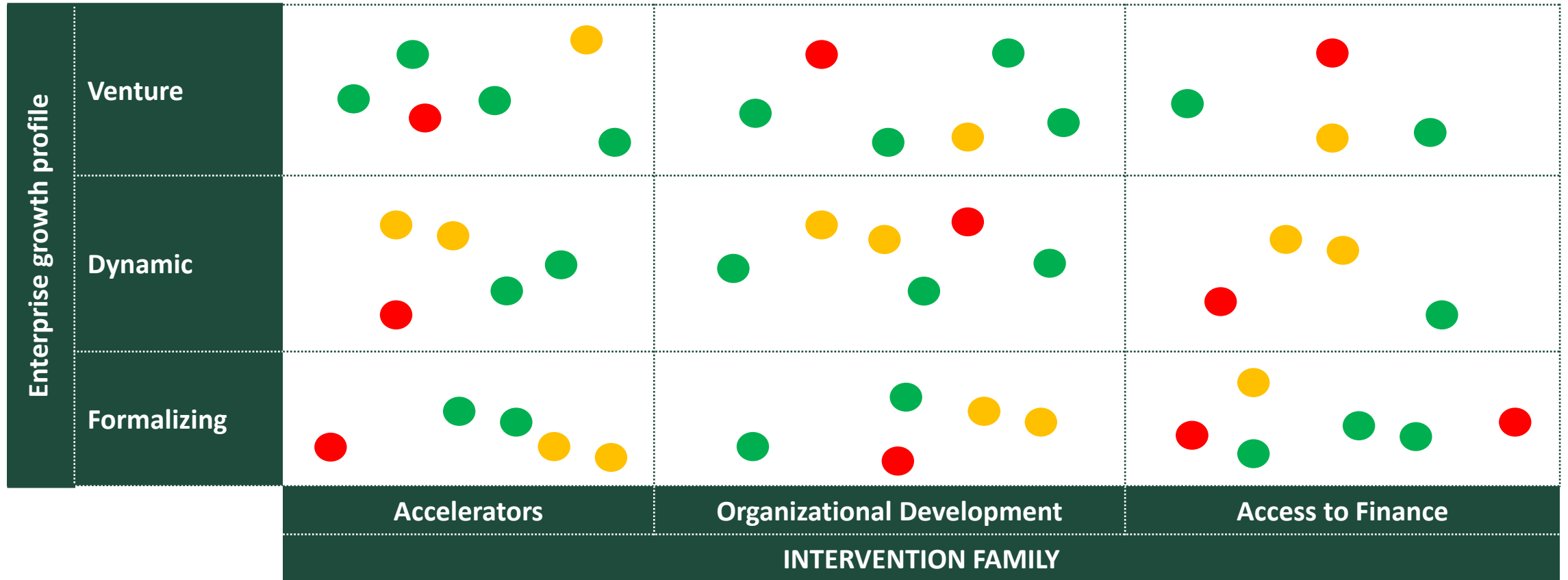
Countless academic papers were read to align with what others were learning



Its not what you do... its how you do it...

Illustrative indicators reflecting outcome KPIs (Revenue growth, Job Creation & finance mobilized), and cost effectiveness measures (ROI, cost per full time job created, investment leverage) of programs in Argidius' portfolio

- *Strong impact & cost effectiveness*
- *Could do better*
- *Why Oh Whys*



Growing evidence of effective approaches *but* large variation in impact & cost effectiveness



- **Acceleration**
 - ✓ Start-up Chile: Gonzalez-Uribe 2018
 - ✓ GALI
 - X **GALI**
- **Consulting:**
 - ✓ Van Reenan et al 2010
 - ✓ Iacovone et al 2019
 - ✓ Karlan & Bruhn 2018
- **Mentoring**
 - ✓ **Peer-to-peer** eg Cai et al 2018/ Anderson et al 2020
 - X **Mentoring subsistence firms** McKenzie 2020
- **Training:**
 - ✓ **Targeted, focused, intense training** Anderson 2015
 - X **Traditional training:** McKenzie et al
- ✓ **Angel investment** Kerr 2014
- ✓ **Lending to established firms** Banerjee 2014
- **Microfinance**
 - ✓ **Targeted** microfinance e.g. Banerjee 2019, Osman 2022
 - X **Extending microfinance** Quinn 2021
- **Grants**
 - ✓ **Selective grants:** McKenzie 2015
 - ✓ Woodruff et al

Accelerators

Organizational Development

Access to Finance

INTERVENTION FAMILY

Value for money: Five key characteristics

S

C

A

L

E

Select

the right
enterprise

Charging

enterprises
improves
performance

Address

problems: we
learn best
through problem
solving

Learning

by evaluating
enterprise
performance

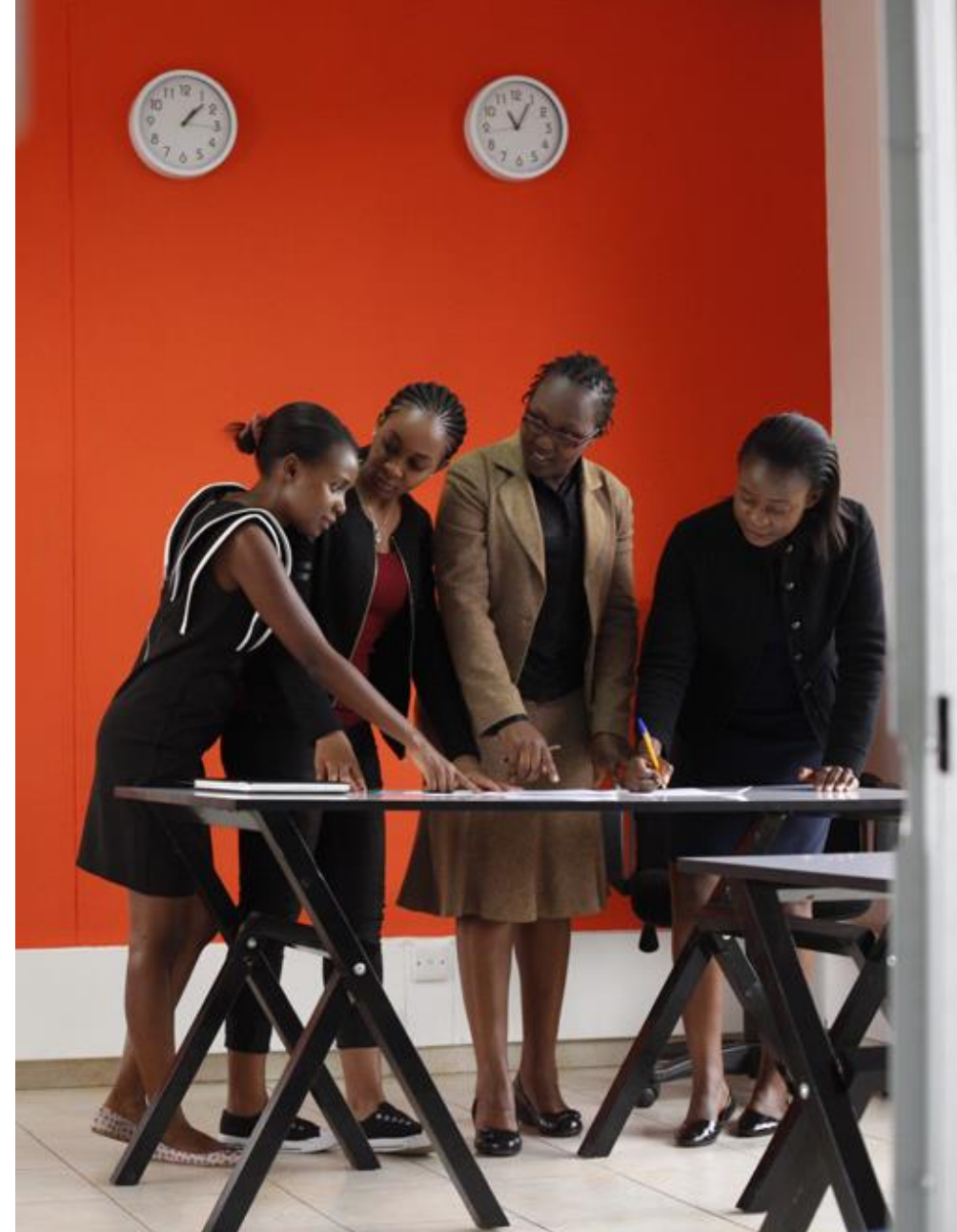
lead by **Example**

Improve your own
organization to better
serve enterprises

SBDG workshop

Good progress in research:

- Long term data
- More cost/benefit
- Returns to being an “entrepreneurial state”
- *What works for who?*
 - Heterogeneity and selectivity



SBDG workshop

Good progress in research:

- Long term data - **employment**
- More cost/benefit
- Returns to being an “entrepreneurial state”
- What works *for who*?
 - Heterogeneity and selectivity
 - **Dynamic firms**

How to encourage & enable the journey from knowledge to policy and practice

Scaling what works- attention on the organizations & implementation (not just projects)

