Technoserve’s Entrepreneur Support Programs in Latin America: Multi-Country Analysis and Report
(Proposed completion date of September, 2016)

Research Team
- Emory Research Team (Peter Roberts & Michael Belles)
- Technoserve Lead (Oscar Artiga)
- TNS Team
- Student Research Teams (TBD)

Project Objectives

Technoserve (TNS) currently runs similarly-structured entrepreneur support programs in four Latin American countries: Guatemala, Honduras, Nicaragua and El Salvador. In Cycle 1, 70 entrepreneurs (each) were selected into programs in Guatemala, Honduras and Nicaragua. Half of these entrepreneurs were randomly assigned to be supported by paid business advisors and half were selected to work with volunteer business mentors. In Cycle 2 programs (one year later), 140 entrepreneurs (half SGBs and half at the idea stage) were selected from each of these three countries. Within each of these cohorts, half were randomly assigned to work on business plans while half were assigned to develop actionable business models. At the end of the initial ‘grupo’ training stage, roughly half were selected to transition into an ‘after-care’ program, which focused on tackling various implementation issues.\(^1\)

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<tr>
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<th><strong>Cycle 1</strong></th>
<th><strong>Cycle 2</strong></th>
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<tr>
<td>Target Entrepreneurs</td>
<td>70 SGB (empresas)(^2)</td>
<td>70 SGB (empresas) vs 70 start-up (ideas)</td>
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<td>Entrepreneur Support</td>
<td>35 ‘mentors’ vs 35 ‘advisors’</td>
<td>All ‘advisors’</td>
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<td>Program Focus</td>
<td>All ‘after care’</td>
<td>70 ‘business plans’ vs 70 ‘business models’</td>
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<td>Stages</td>
<td>70 ‘grupo’ vs 70 ‘grupo’ + ‘after care’ (35 from ‘plans’; 35 from ‘Models’)(^3)</td>
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In this project, we will isolate how early-stage entrepreneurial outcomes through the acceleration process vary (systematically) across the different program treatments and across participating countries. We will then design and execute a multi-method study to better understand the drivers of these cross-country contrasts. This research will:

1. Document the variable effects that TNS accelerator programs have on the performance of early-stage ventures working in Guatemala, Honduras, Nicaragua and El Salvador;

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\(^1\) *The El Salvador country program is unique in that it was not involved in the Cycle 1 programming, and focuses on women-run businesses.*

\(^2\) *SGB requirements: minimum 18 years old, minimum of $20K in annual revenues, minimum 2 years of operations, and minimum of 5 employees.*

\(^3\) *Grupo involves roughly 2-3 months of programming; while grupo-plus-after-care includes an additional 10 months focusing on implementation issues. After-care participants (roughly half) are selected based on commitment and quality of pitches made to selectors.*
2. Document important differences – or contrasts – in any of these effects; across the different program treatments and across participating countries;

3. Interpret these contrasts with reference to revealed differences in the countries’ entrepreneurial ecosystem conditions; and

4. Use these observations and interpretations to (a) provide insights to the broader community of developing-world accelerator programs; and (b) propose improvements to the TNS programs working in Latin America.

**Proposed Approach**

This project leverages the consistent programming across countries to undertake a comparative evaluation of Latin American entrepreneurial ecosystems. We will begin by analyzing the quantitative venture-level data that TNS collected during each program; focusing on observed month-to-month changes in reported revenues, employees and investment. We will also analyze the initial (qualitative) assessments of various entrepreneurial capabilities – relating to marketing, finance, operations, and legal – to present information on how early-stage performance outcomes evolved, conditioned on the initial assessment of the promise of the ventures in each program treatment and in each country.

Based on an initial evaluation, we will hone in on meaningful differences across treatment groups and countries. Because TNS programs are similar across countries, and because groups of entrepreneurs are different and/or receive different treatments, systematic differences in early-stage entrepreneurial outcomes provide indications of important differences across countries in their ability to support different kinds of entrepreneurs.

After identifying the most salient venture performance contrasts, we will work with program and country experts to develop predictions about why we are seeing these contracts. These predictions will ground the second phase of the project, which will collect and analyze complementary information about the ecosystem conditions faced in each country. These data will come from structured interviews with carefully-selected sets of program and ecosystem stakeholders (conducted by trained groups of graduate students).

By integrating (1) program information, with (2) detailed information about the potential and progress of each entrepreneur, with (3) structured qualitative information about programs and ecosystem conditions across each country, our analysis and conclusions will provide important insights about the acceleration of early-stage entrepreneurial processes in Latin America.

**Deliverables for TNS:**

- Data-driven insights that will guide specific program choices moving forward; and
- A nuanced understanding of how ecosystem conditions vary across countries.

**Deliverables for SGB sector:**

- A methodology for conducting serious cross-country research aimed at understanding entrepreneurs, accelerators and ecosystems in the developing world; and
- A scalable platform that identifies interested graduate students and offers them structured exposures to developing world entrepreneurial ecosystems.
Project Stages

Stage 1: November, 2015 (Emory Research Team)
Analyze quantitative data from TNS programs (from Cycle 1 and Cycle 2) to uncover specific performance contrasts across program treatment groups and/or across countries; focus on key variables that correspond with the early success of participating entrepreneurs (e.g., revenues, employment generation, outside investment). An interim report will present these patterns, identifying similarities and key differences across entrepreneurs in the different program treatment groups in each country.

- ASAP, must transfer pertinent quantitative program data to the Emory Research Team.

Stage 2: December, 2015 (TNS Team – roughly two hours each)
Convene TNS program stakeholders (e.g., selected program managers, advisors and supporters) in a forum to develop predictions (or working hypotheses) about what might be causing the performance contrasts observed in the data. Individuals will be asked to brainstorm all potential explanations for each observed contrast. They will not have to believe each potential explanation at this point; the key is to be exhaustive in the development of potential explanations.

Stage 3: November-December, 2015 (Emory Research Team, Oscar)
Recruit two teams of graduate students with six students per team. Applications will be solicited in the fall. Selection should culminate in confirmed teams on or before January 1, 2016.

The ideal candidate for this project is a current graduate student (MBA or related degree) who is:
- is fluent in English and Spanish
- has demonstrated interest in entrepreneurship and economic development
- has experience working on research projects
- agrees to participate in all Spring 2016 meetings (every 3 weeks; evenings; 90 minutes)
- commits to work 4-5 hours per week during June and July
- has 10 days free in early August to work on the ground in two countries *dates TBD*
- commits to work 4-5 hours per week during August and September
- agrees to pay own airfares and insurance up to $1500

Stage 4: January-February, 2016 (Emory Research Team)
While students are being on-boarded, the Emory Research Team will develop the basic elements of cross-country research design aimed at testing the most promising predictions generated in Stage 2.

Stage 5: February-May, 2016 (Emory Research Team, Student Teams, Oscar, Others)
In the spring semester, we will socialize and train the teams that will visit each country and execute the qualitative research design. This should take place in a series of evening meetings (roughly once every three weeks).

Regular spring sessions might include:
- introductions and ice-breakers (All);
- overview of TNS program goals for its entrepreneur support programs (Oscar);
- overview of economic conditions in the four focal countries (Michael);
- introduction to of the structure of entrepreneurial eco-systems (Peter); and
- training on appropriate interview protocols and behaviors (TBD).
Stage 6: June-August, 2016 (Emory Research Team, Students Teams, Oscar)
After the end of the spring semester, students will commit 4-5 hours per week to the project. During this period, focal performance contrasts and working hypotheses will be presented. Working with Oscar (TNS), student teams will develop rosters of key informants (i.e., entrepreneurs, program managers, investors, others) in each country. With guidance from research professors, they will refine a specific set of interview protocols to glean the information that will inform our working hypotheses.

Potential stakeholders to interview in each country might include:
- high-potential and low-potential entrepreneurs (based on initial capabilities surveys) from each program; pick up those that seem to be over- and under-achieving during the program;
- advisors and mentors from each program;
- customers of sampled entrepreneurs; and
- investors and financial institutions.

These interviews will be conducted during an intensive research trip to two countries (Student group 1 will target Nicaragua and El Salvador while student group 2 will target Guatemala and Honduras).

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Stage 7: August-September, 2016 (Emory Research Team, Students Teams, Oscar)
In this final stage of the project, we will integrate the quantitative and qualitative data into single report that identifies and analyzes best available explanations for observed performance contrasts. The final report will present (quantitative) patterns and contrasts and then interpret them in light of the country-level insights collected in the student interviews. A draft of the report will be read by each member of the team, comments integrated, and the final report will be formatted for release in September 2016.

The final report will be released and presented by students in high-profile forum (in NYC or DC?) that includes key TNS and sector stakeholders.

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Working in pairs for 8-9 hours per day over 3 days (per country), student teams should be able to conduct roughly 50 interviews in each country (assuming each interview requires less than 2 hours, including travel time).