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Are You Ready to Create an SEIC? A Checklist for Potential Founders of SEICs

This tool is designed to ensure that Social Enterprise Incubation Centers (SEICs) are created in instances where the setting, entrepreneurial readiness, and local leadership can provide an SEIC with excellent potential for success. To this end, the checklist on the following page is intended primarily for potential SEIC founders. WILMA believes that this checklist offers potential founders a valuable self-assessment tool to understand how well they and their communities are positioned to develop a financially sustainable SEIC with lasting social impact.

The checklist is divided into three categories that, from its experience in Africa, WILMA believes are fundamental to an SEIC's success: Setting, Entrepreneurial Readiness, and Leadership. Within each category are grouped a list of five items. Each item in the list allows the user to check one of five levels of readiness: 1) condition not satisfied in my case, 2) condition somewhat satisfied in my case, 3) condition mainly satisfied in my case, but with issues to discuss, 4) condition well satisfied in my case, and 5) undecided--need to investigate further. On the pages following the checklist are brief descriptions of each checklist item.

When using this tool, readers should understand that the checklist is not a one-and-done test of fit and readiness. That is, even if the user checks all items as "well satisfied", he or she has no guarantee of success. Likewise, if most of the items are marked as "not satisfied", she or he is not doomed to fail. Preparedness is not static and, evidently, nor are the factors outlined on the next page. Potential founders should use this checklist as a thinking tool to better understand in what key areas they must focus attention and as a working tool to improve the potential for success.

If the reader is able to fill out this checklist with confidence that he or she is ready or near-ready to found an SEIC, she or he is encouraged to contact WILMA. While completion of this checklist offers no assurance of WILMA financing, contacting WILMA is a valuable route towards critical feedback and, potentially, the founding of an SEIC.

SEIC Readiness Checklist

Setting

Primarily rural, agricultural region, with village or small-town culture:

- Condition not satisfied in my case
- Condition somewhat satisfied in my case
- Condition mainly satisfied in my case, but with issues to discuss
- Condition well satisfied in my case
- Undecided--need to investigate further

Insufficient access to business infrastructure, capital markets, and technical assistance:

- Condition not satisfied in my case
- Condition somewhat satisfied in my case
- Condition mainly satisfied in my case, but with issues to discuss
- Condition well satisfied in my case
- Undecided--need to investigate further

Potential connection to large scale infrastructure projects of the country or region:

- Condition not satisfied in my case
- Condition somewhat satisfied in my case
- Condition mainly satisfied in my case, but with issues to discuss
- Condition well satisfied in my case
- Undecided--need to investigate further

SEIC can be located centrally to community served and to co-investing local partners:

- Condition not satisfied in my case
- Condition somewhat satisfied in my case
- Condition mainly satisfied in my case, but with issues to discuss
- Condition well satisfied in my case
- Undecided--need to investigate further

Supportive beneficiary community able to organize to invest land, material inputs, and know-how:

- Condition not satisfied in my case
- Condition somewhat satisfied in my case
- Condition mainly satisfied in my case, but with issues to discuss
- Condition well satisfied in my case
- Undecided--need to investigate further

Entrepreneurial Readiness

Location with identifiably neglected production and market opportunities:

- Condition not satisfied in my case
- Condition somewhat satisfied in my case
- Condition mainly satisfied in my case, but with issues to discuss
- Condition well satisfied in my case
- Undecided--need to investigate further

Local presence of business builders with profitable ideas, tenacity, and desire to exploit identified opportunities:

- Condition not satisfied in my case
- Condition somewhat satisfied in my case
- Condition mainly satisfied in my case, but with issues to discuss
- Condition well satisfied in my case
- Undecided--need to investigate further

At least one or two high-profit businesses in the community are identified as ready for outside investment:

- Condition not satisfied in my case
- Condition somewhat satisfied in my case
- Condition mainly satisfied in my case, but with issues to discuss
- Condition well satisfied in my case
- Undecided--need to investigate further

At least one or two social-service businesses are ready to partner with these high-profit businesses:

- Condition not satisfied in my case
- Condition somewhat satisfied in my case
- Condition mainly satisfied in my case, but with issues to discuss
- Condition well satisfied in my case
- Undecided--need to investigate further

Local educators are ready to teach social entrepreneurship and support graduates entering this field:

- Condition not satisfied in my case
- Condition somewhat satisfied in my case
- Condition mainly satisfied in my case, but with issues to discuss
- Condition well satisfied in my case
- Undecided--need to investigate further

SEIC Leadership

SEIC founder, native or known to the community served, can be a credible community leader:

- Condition not satisfied in my case
- Condition somewhat satisfied in my case
- Condition mainly satisfied in my case, but with issues to discuss
- Condition well satisfied in my case
- Undecided--need to investigate further

SEIC founder has the business experience to organize and present a credible business plan:

- Condition not satisfied in my case
- Condition somewhat satisfied in my case
- Condition mainly satisfied in my case, but with issues to discuss
- Condition well satisfied in my case
- Undecided--need to investigate further

SEIC founder believes that the SEIC business model can work as a powerful engine for the long-run economic development of the community served:

- Condition not satisfied in my case
- Condition somewhat satisfied in my case
- Condition mainly satisfied in my case, but with issues to discuss
- Condition well satisfied in my case
- Undecided--need to investigate further

SEIC founder can find, motivate, and hire excellent senior managers, including a legally qualified manager for the SEIC's Private Equity Account:

- Condition not satisfied in my case
- Condition somewhat satisfied in my case
- Condition mainly satisfied in my case, but with issues to discuss
- Condition well satisfied in my case
- Undecided--need to investigate further

SEIC founder has the personality and skills needed to obtain, and pay for, any help needed from outside the local area:

- Condition not satisfied in my case
- Condition somewhat satisfied in my case
- Condition mainly satisfied in my case, but with issues to discuss
- Condition well satisfied in my case
- Undecided--need to investigate further

Checklist Descriptions

Setting

- *Primarily rural, agricultural region, with village or small-town culture:* WILMA emphasizes each of the above qualities because: a) rural implies lower population densities and often infrastructural and technological deficiencies as compared to urban areas, b) agricultural regions will surely be central to “Green Revolution” activities, and c) village-small town culture is critical to the web of trust and communication needed to support a successful SEIC.
- *Insufficient access to business infrastructure, capital markets, and technical assistance:* An SEIC should not be created to compete with an already saturated market. SEICs should be created only when observable voids exist in the above.
- *Potential connection to large scale infrastructure projects of the Country or Region:* The success of SEICs is tied to larger scale infrastructural projects in two ways: 1) the combination of large infrastructure projects, for example roads, and SEIC smaller business creation/development creates a powerful multiplicative effect for both projects’ impact and 2) larger projects, particularly corporate and DFI (Development Finance Institution), will be key potential financial partners for SEICs.
- *SEIC can be located centrally to community served and to co-investing local partners:* The SEIC model’s foundation relies upon local support, interaction, and trust. In order for an SEIC to achieve these things its location must be central to the community. An SEIC must be, and feel, accessible. From a practical standpoint, the SEIC must be easy to reach by all those involved, i.e. employees, partners, investees, etc. In rural areas transportation can be problematic and, thus, location must be chosen to limit transport times/challenges.
- *Supportive beneficiary community able to organize to invest land, material inputs, and know-how:* Local investors, including founders and managers of the SEIC, CBOs (Community-Based Organizations) and leading individuals and organizations of the SLEN (Sustainable Local Enterprise Network), will be critical to SEIC success. The model of development is ground-up and requires enthusiasm and support from many actors.

Entrepreneurial Readiness

- *Location with identifiably neglected production and market opportunities:* The foundation of entrepreneurship lies in identifying and filling voids in production and the market. Thus, for an SEIC to develop strong enterprises there need to be a) potentially valuable neglected needs/opportunities and b) these needs/opportunities need to be identified. One key task, and important initial supportive role of WILMA, is to help SEIC founders identify these opportunities.
- *Business builders with profitable ideas, tenacity, and desire to exploit identified opportunities:* An important facet of the new-market identification process is the identification of actors motivated to fill these voids. There should evidently be people already trying to solve key local issues and a new SEIC relies on a presence of creative, driven, ideas-people. Much SEIC investment will be aimed towards start-ups and, thus, the success of the SEIC is dependent upon a stream of these profitable ideas.

- *At least one or two high-profit businesses in the community are ready for outside investment:* In addition to start-ups, high-potential businesses must already exist for an SEIC to succeed. Some of the greatest impact an SEIC can have will be result of increases in capital or technical assistance for already operating, profitable local companies. It will be important for the SEIC's growth that it maintain a mix of start-up and already successful firms to incubate.
- *At least one or two social-service businesses ready to partner with these high-profit businesses:* The SEIC model depends upon collaboration between these two actors.
- *Local educators ready to teach social entrepreneurship and support graduates entering this field:* In order to develop strong support and a pipeline for entrepreneur-led economic development, SEICs must engage the local community's youth. Thus, a local education system's support for and willingness to partner with SEICs will be critical to ensuring a sustainable development model.

Leadership

- *SEIC founder, native or known to the community served, can be a credible community leader:* It is fundamentally important that leaders be welcomed and considered locals to the community served. For practical reasons, SEIC potential is greatest when the leader can understand and engage with his/her community as an insider; the perception of the community is key to a successful SEIC. Also, WILMA firmly believes that economic development should be a locally-led process. WILMA offers only outside connections, advice, and catalytic support.
- *SEIC founder has the business experience to organize and present a credible business plan:* An SEICs success relies upon the founder's ability to articulate a locally-appropriate incubation model into a high-quality business plan. There is no precise rubric to assess one's ability to perform this role.
- *SEIC founder believes that the SEIC business model can work as a powerful engine for the long-run economic development of the community served:* Successful SEICs have the opportunity to promote positive economic development and their potential will only be reached through the leadership of management in whole-hearted pursuit of that goal.
- *SEIC founder can find, motivate, and hire excellent senior managers, including a legally qualified manager for the SEIC's Private Equity Account:* An SEIC founder should be confident that a pipeline exists for qualified, primarily-local employees. As with the founder, these potential employees should have good business experience, savvy, and be guided by the pursuit of local economic development.
- *SEIC founder has the personality and skills needed to obtain, and pay for, any help needed from outside the local area:* Whether for funding, subcontracting, or partnership, an SEIC founder must be a capable external-relations leader, advocating successfully for the SEIC, its potential value, and its needs.