

Project II

Exploring Models for Access to Finance

Proposal to the Board of Directors

September 23, 2024

**Kick-off:** Week of October 21, 2024

**Deadline:** End of February 2025

**Project Manager:** Björn Macauter

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## Introduction

OVO is committed to empowering African entrepreneurship, particularly targeting SMEs in the "missing middle"—those that are too large for microfinance but too small to access traditional financing. This project aims to explore innovative financing models to improve access to finance for these SMEs while enhancing the sustainability of OVO itself. Given the changing landscape and growing demand for financial support, it is essential to reassess our current financing strategies.

The goal of this project is to identify and develop effective financing models that can service a greater number of SMEs in Africa. Key objectives include establishing new partnerships, evaluating existing financial instruments, and proposing new initiatives that cater to the diverse needs of African entrepreneurs.

## Objectives

The main goals of this project are to:

- **Improve access to finance:** Develop new financing initiatives that directly address the financial needs of a greater number of African SMEs.
- **Strengthen sustainability:** Identify opportunities for OVO to diversify its revenue streams through innovative financing mechanisms.
- **Establish strategic partnerships:** Collaborate with local organizations, impact investors, and other stakeholders to enhance our support network for SMEs.
- **Evaluate current offerings:** Assess existing financial instruments for their effectiveness and adaptability to emerging market needs

*Out of scope:*

- *Implementation of new financing models: We will not execute the proposed financing models in this project.*
- *Organizational restructuring: Changes required across the organization as a result of adopting new financing strategies will not be addressed within this project scope.*

## Proposition Development Steps

1. Analyse existing data and conduct desk research (Weeks 1-2)
  - Review existing operational data and relevant literature to gather insights on current practices, challenges, and opportunities in financing models for SMEs.
2. Stakeholder mapping exercise (Week 1)
  - Identify key stakeholders involved in or impacted by financing options for SMEs.
  - Map out their interests, influence, and potential contributions to prioritize engagement efforts.
3. SWOT analysis (Week 2)
  - Conduct a SWOT analysis to evaluate OVO's internal strengths and weaknesses, as well as external opportunities and threats in the context of financing models.
4. Design questionnaire (week 3)
  - Develop a structured questionnaire to guide one-on-one conversations based on findings from the data analysis and desk research.
5. Data Collection (Weeks 4-5)
  - Conduct one-on-one interviews with key stakeholders, including SMEs, financial experts, and potential partners, to gather in-depth insights into their financing needs and preferences.
  - Adapt the questionnaire in response to insights gained during the interviews (adaptive interviewing technique).
  - Distribute surveys to a broader audience of SMEs to gather quantitative data on their financing needs, preferences, and barriers they face in accessing finance.
6. Focus Groups (Week 6-7)
  - Organize focus groups with selected participants to facilitate discussions around challenges and opportunities in financing for SMEs, encouraging interaction and diverse perspectives.
7. Workshops (Weeks 8-9)
  - Hold collaborative workshops with stakeholders to brainstorm innovative financing options and partnership opportunities. These sessions will foster creativity and collaboration.

#### 8. Expert Panels (Weeks 10-11)

- Engage panels of experts from various fields (finance, entrepreneurship, etc.) to discuss trends and best practices in financing models that could benefit African SMEs.

#### 9. Draft Initial Propositions (Weeks 12-13)

- Analyse feedback from interviews, surveys, focus groups, and expert panels.
- Prepare comprehensive reports detailing findings and proposed initiatives based on the insights gathered.
- Share drafts with stakeholders for feedback to refine the proposed partnership models.

#### 10. Discussing Financing Models (Week 14)

- Organize a workshop to present refined financing models based on feedback from stakeholders.
- Facilitate discussions among stakeholders to review these models, provide further input, and fine-tune them based on collective feedback.

#### 11. Finalization (Week 15)

- Incorporate feedback from discussions to finalize the financing model proposal by the end of February 2025.

### **Expectations from the Board**

By following this structured approach, OVO aims to develop a well-thought-out and effective strategy for exploring financing models that truly support African entrepreneurship and meet the needs of all stakeholders involved.

We request your approval to proceed with this plan. Additionally, feel free to forward any feedback, suggestions, or questions prior to the September 23 meeting so we can incorporate them into our discussions.