

# Developing successful enterprises

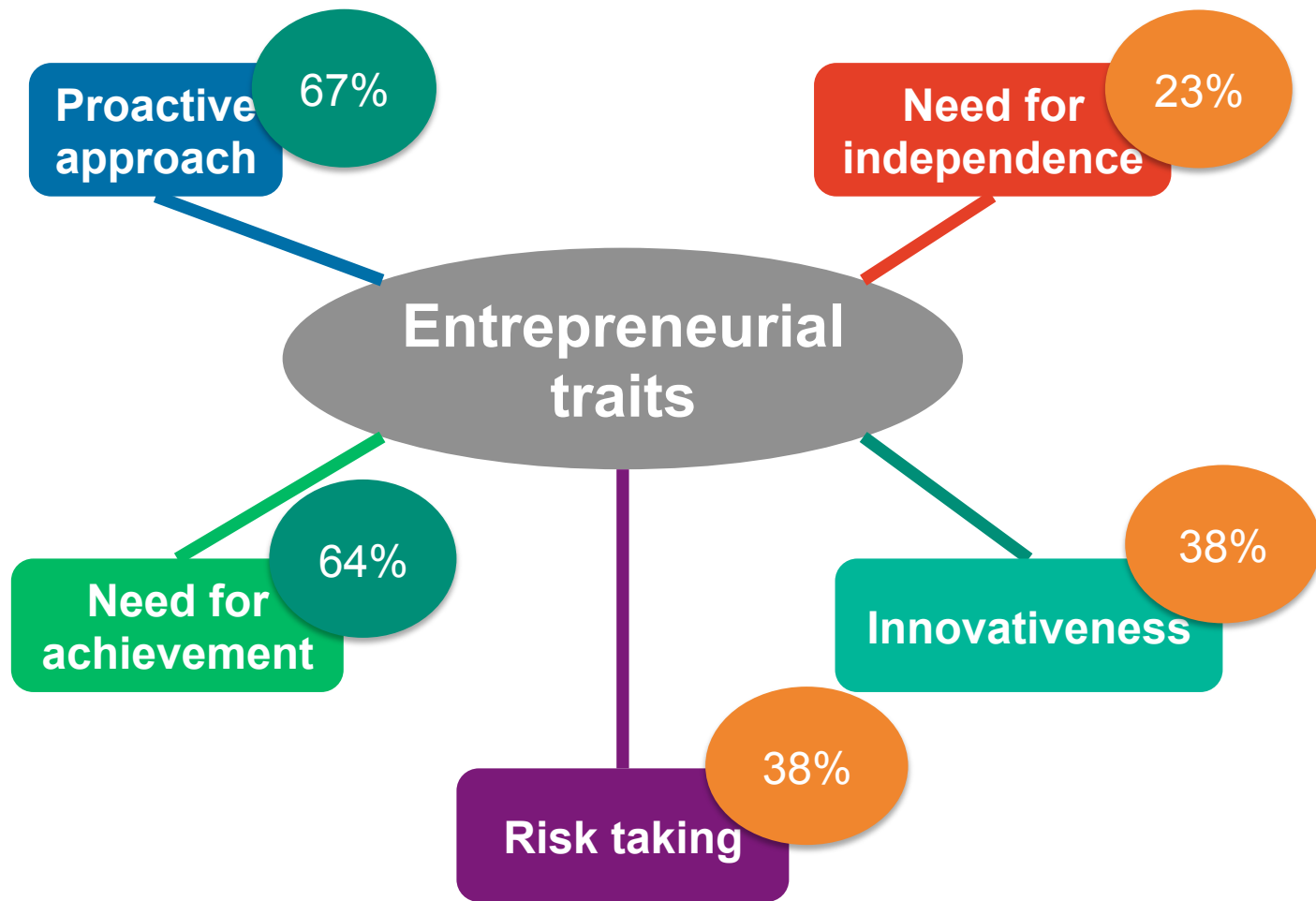
WASH 2016 Training

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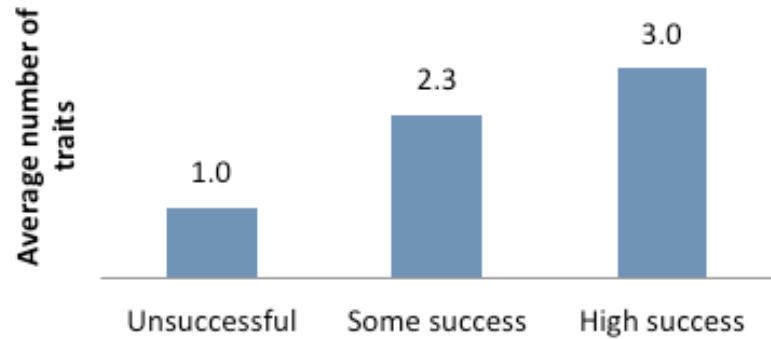
# KEY MESSAGES

- Entrepreneurial traits matter for enterprise success
- The starting point most often assumes enterprises will be ‘for-profit’, however there may be opportunities to capitalise on pro-social motivations
- Appropriate legal structures and policy settings that support social enterprises rarely exist
- Understanding motivation opens up new pathways to attract, approach and support different forms of entrepreneurs
- It’s important to be realistic about where enterprises will thrive (e.g. rural remote areas might be hard)

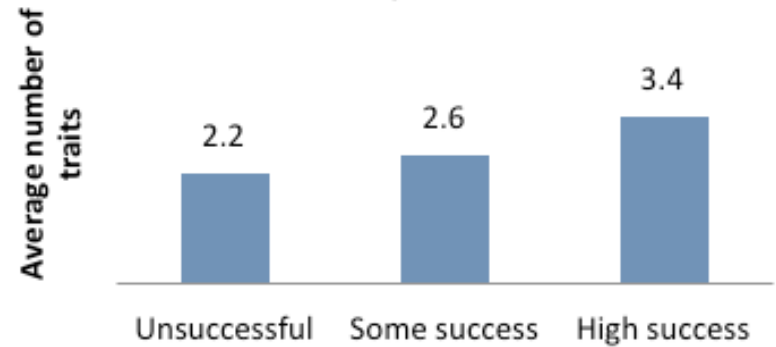


We found a positive relationship was found between number of **entrepreneurial traits** and relative success...

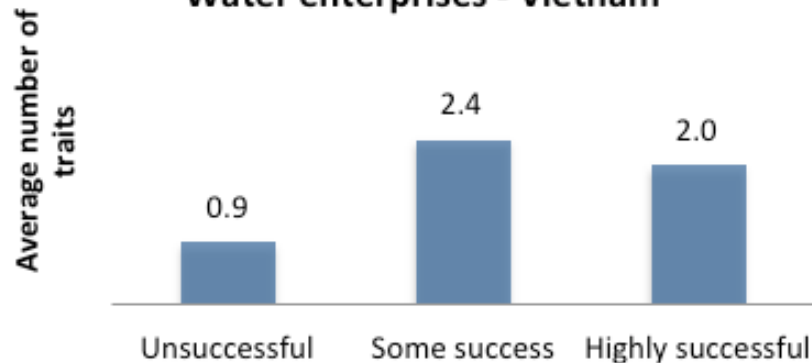
Water enterprises - Indonesia



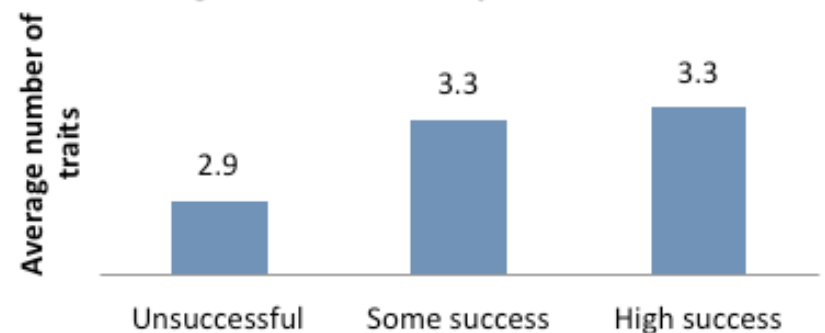
Sanitation enterprises - Indonesia



Water enterprises - Vietnam

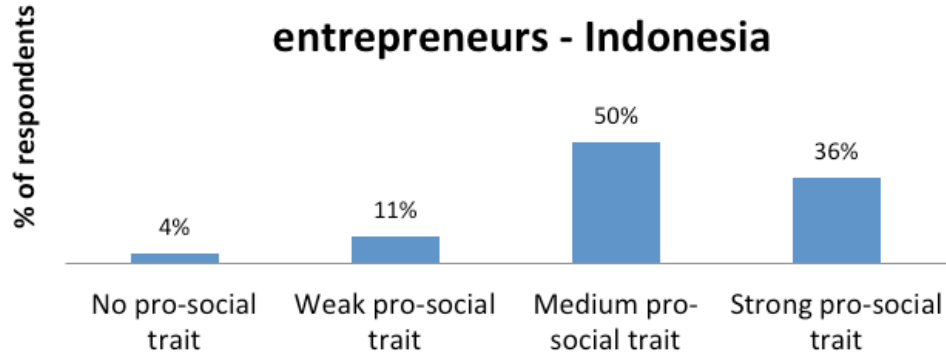


Sludge removal enterprises - Indonesia

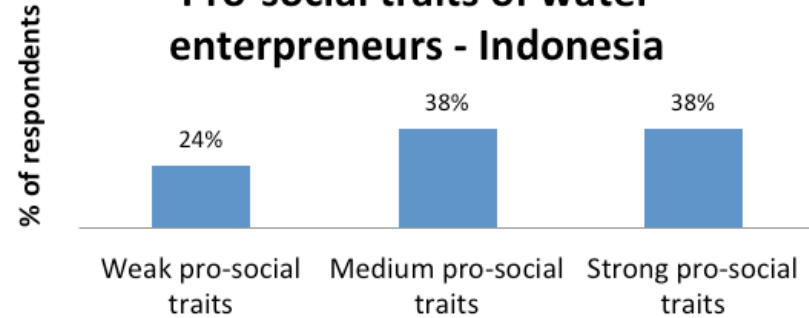


# Pro-social traits were also evident...

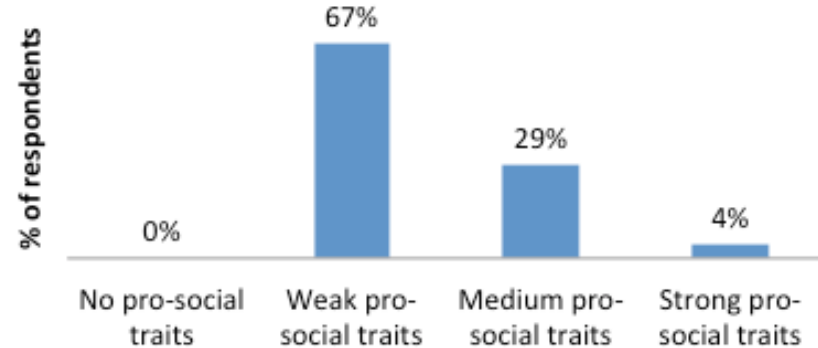
**Pro-social traits of sanitation entrepreneurs - Indonesia**



**Pro-social traits of water entrepreneurs - Indonesia**



**Pro-social traits of sludge removal entrepreneurs - Indonesia**



# Motivations underpinning pro-social behaviour...

*"I have compassion for local people who haven't got enough clean water to use."*

Empathy and compassion for the poor

*"Usually poor people would like to have a toilet...if their money is limited, then they can pay by installments in a specified time. I was poor. Therefore I know how it feels."*

*"I feel satisfied because I can do something useful for the society."*

Self-satisfaction from helping others

Religious beliefs

*"It is a good deed. If we don't get any profit, just be sure that God will give us rewards."*

# Other motivations beyond pro-social motivations...

Extended social networks

*"I gain new experiences, new networks and new relationships."*

*"I can train people [and] travel to NTT by plane."*

New skills, knowledge and experience

*"I'm feeling united with friends... partnering"*

Camaraderie and sense of group mission

*"every challenge ... we will try facing together because in [the association] we have the principle of kinship, solidarity, and mutual cooperation."*

*"I have flexible time and feel free in my mind because I manage the business by myself."*

Lifestyle and time flexibility

*"I get the respect from my local community"*

Status, acknowledgement, pride

*"I feel proud to change people's behaviour to become healthier"*

The starting point most often assumes enterprises will be ‘for-profit’...





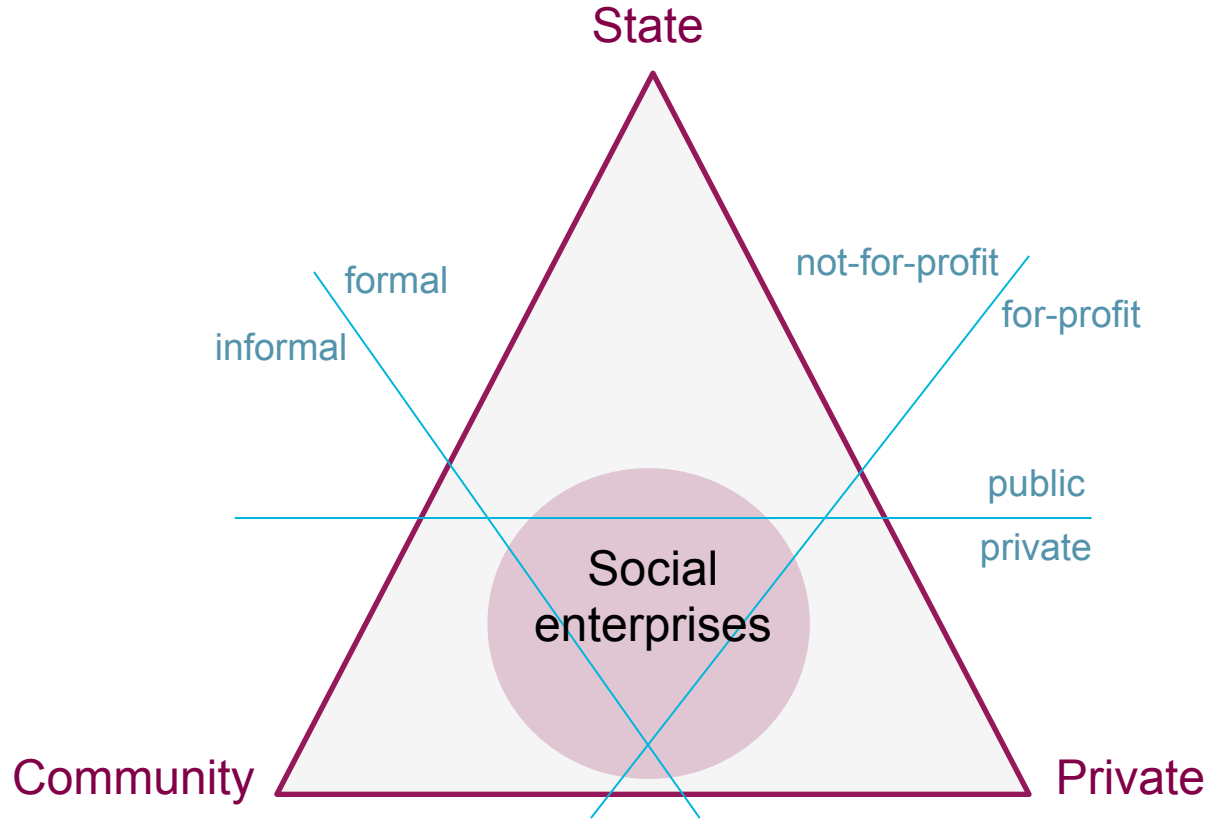
# But what about social enterprises?



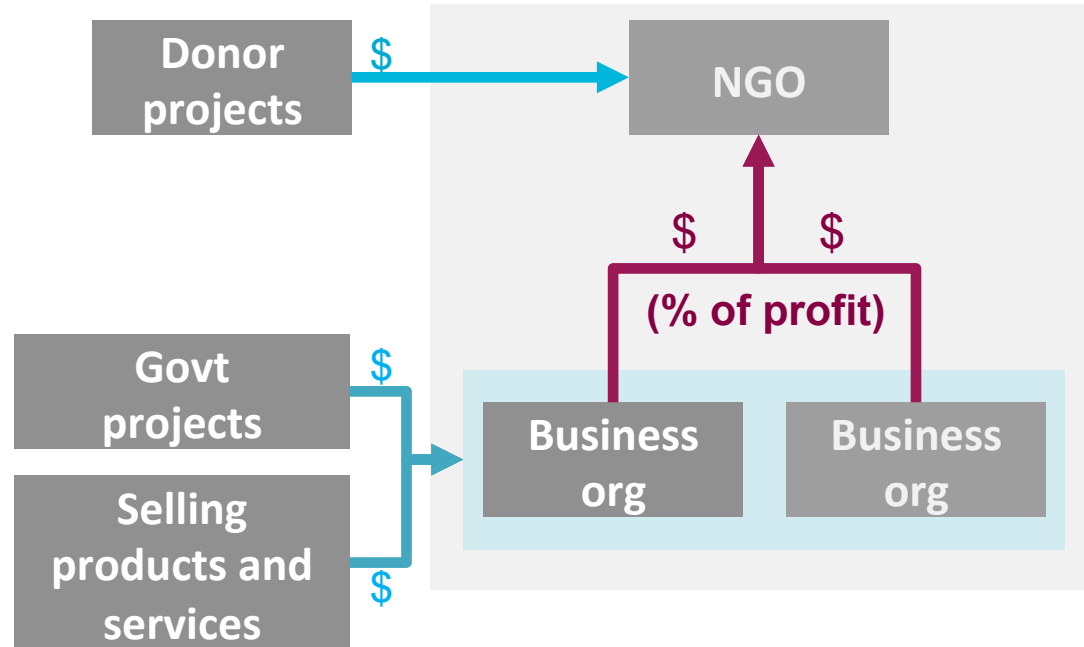
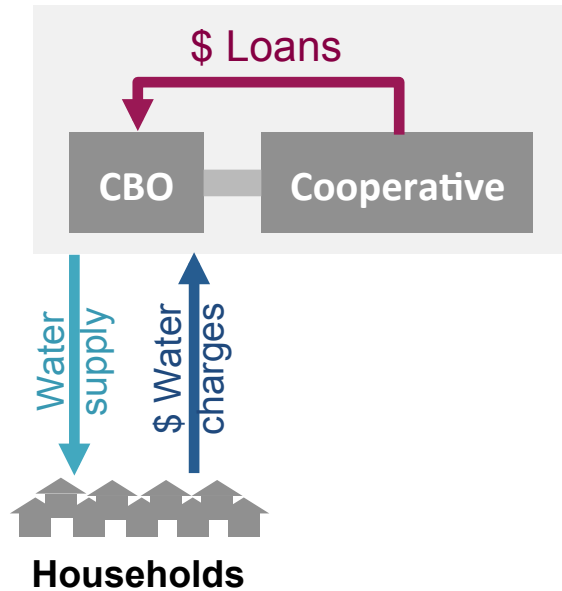
Social enterprises may respond to different incentives based on their motivations

Appropriate legal structures and policy settings rarely exist

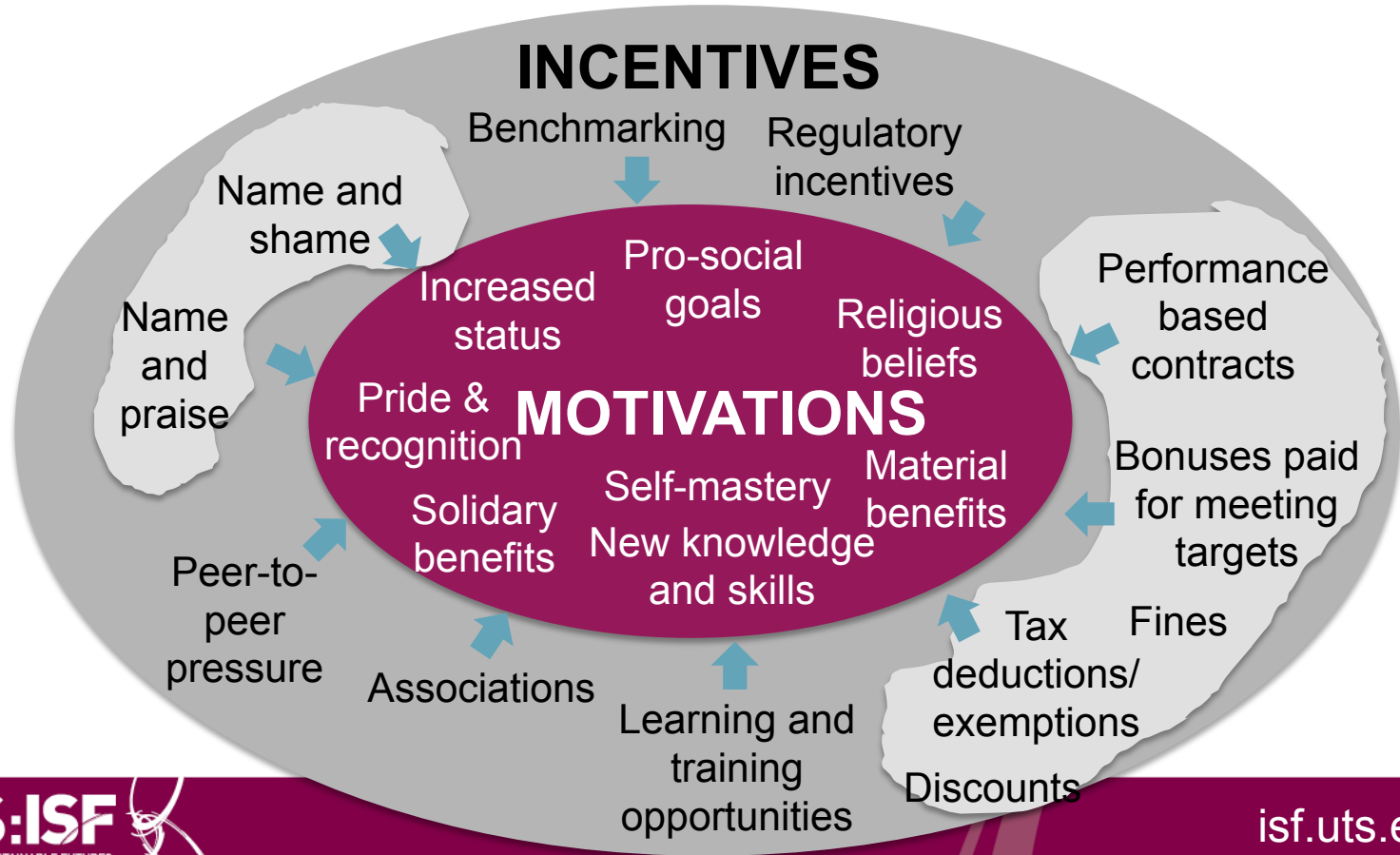
# Opportunities to capitalise on the social motives?



# Creative ways of working around available formal business types – forms of social enterprise



# Incentives can be constructed that act upon motivations...



# Common challenges for enterprises



## Operational

e.g. water enterprises  
high operating costs  
not able to recover  
though charges



## Access to market

e.g. lack of business  
partnerships; lack of  
info about market



## Human resources

e.g. difficulties in  
finding staff with the  
right skills



## Financial

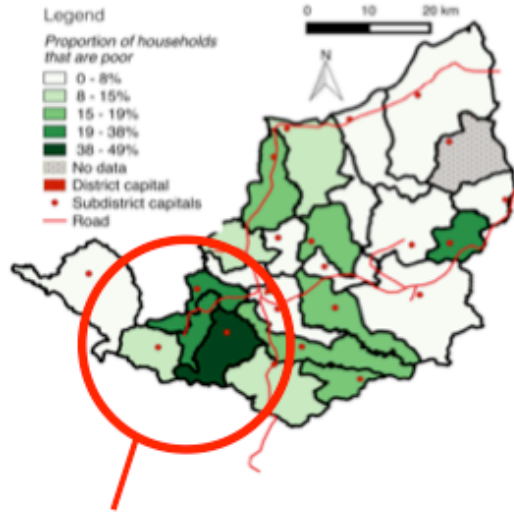
e.g. lack of financing  
options for  
enterprises and  
customers



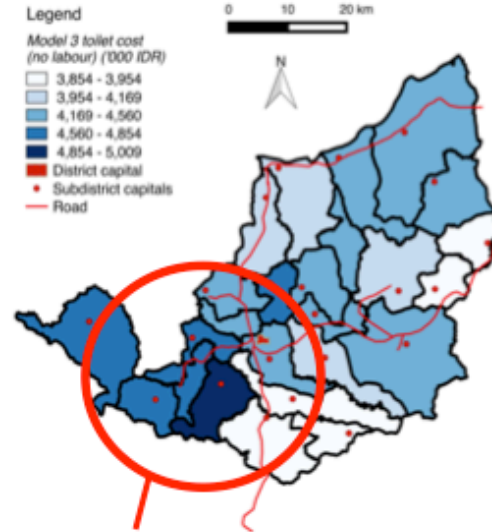
## Govt and regulations

e.g. lack of or  
unfavourable policies  
and regulations

Evidence shows that costs are higher in more remote areas... often areas with poorer households



**Subdistricts of highest poverty**



**Subdistricts with highest costs**

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# ENTERPRISE IN WASH



<http://enterpriseinwash.info/>