

The Community Enterprise Development Methodology¹ **(CED Methodology)**

The ILO Project for the MNLF is basically community-based, although it addresses a specific social sector of the population. In the context of the Project, the MNLF, as any sectoral organization, is considered as a “community”, with the essential elements that require people-centered and participatory methodology.

The methodology is adopted from various experiences in (non-farm) community-based training (CBT) programmes of ILO in many parts of the world. However, in view of the present social and economic environment, lots of improvements have been introduced especially in the materials (e.g. planning, training, organizing, management & administration, etc.). The changes were made in answer to various issues of effectiveness and efficiency not only in project management but most importantly on the sustainability, replicability, and impact on the target groups and their communities. In addition, the improvements were made as a consequence of the unique characteristics of the area situation and its role in peace building.

The methodology follows four stages, which, in the experience of the Project, are necessary to address the various problems and issues that are relevant to its environment.

Stage 1 – (Community) Planning

The methodology utilizes a Rapid Assessment Meeting technique (RAM) that maximizes active and personal participation of the target groups in identifying the most viable community enterprise projects particularly based on six economic criteria (e.g. market, capital, raw materials, service providers, support infra-structures, and appropriate technology). The target groups envision a community enterprise that can survive within their context – given the various constraints and opportunities known to them. The RAM meeting produces two instruments: the Community Enterprise Project Idea, and the Training Proposal that describes the kind of skill, knowledge, and attitudes that are necessary to realize the enterprise. The proposal also contains the possible training institution/trainer, as well as the costs of training. Both instruments are in proper Formats, easy enough to understand and accomplish even by marginally educated community member.

¹ The Methodology is using special materials to operationalize every activity in each of the four stages. They are still being edited & refined. However, they can be obtained upon request from the Project Office in Cotabato City.

The technique concretizes the principle of personal participation in community planning. It introduces the villagers to the basics of a community enterprise system in a language that they can understand. They become collectively aware of business opportunities based on corporate concepts and requirements while they discuss the risks and challenges of an economic undertaking. The discussion is focused on future plans not on recalling past activities. The proceedings are organized through the use of discussion guide-forms that make the critical information properly organized and visible.

The RAM meeting, including the preparation of proposals, can be finished in three to four hours. It is designed in consideration of the fact that the target groups are already skeptical about long, protracted, and unproductive discussions.

Stage 2 – Training²

The second stage of the Methodology is the implementation of the training proposal designed to build the capabilities of the proponents to implement a community-approved enterprise project idea. The training is a combination of skill formation, entrepreneurship, and organizing. Skills training designs are usually product- or service-oriented and directly related to the objectives of the planned enterprise. Entrepreneurship training utilizes an adult-oriented material composed of five modules. The training revolves around the preparation of a Business Action Plan (BAP). The BAP is a demystified business plan that covers a very short and manageable period. The BAP form is simple, pragmatic, and complete in technical details. It concentrates more on practical and common business strategies that are easy to understand and to implement. The form discourages the proponents from obtaining loans or credits – but it guides them towards partnering and sourcing strategies.

The BAP utilizes a business or production forecast approach covering a business period (maximum of six months), or a specific number of goods or services that will be produced or delivered. It is a deviation from the usual model of feasibility studies that the target groups are not prepared to do or to understand. This scheme is again in response to current situations.

The BAP is presented to the Project at the end of the training, and is used as a business proposal from where post-training assistance is provided. Vocational training institutions, training centers, NGOs, or private trainers in the locality are utilized as the training delivery system.

² At present the ILO Project is concentrating only on non-agricultural community enterprise projects.

Stage 3 – Application

The third stage is the implementation by the trainees of their (approved) Business Action Plans. The Project does not provide working capital during this stage. Only start-up tools and equipment are provided. The trainees are asked to experiment on the business strategies that they have identified and have agreed to do during the preparation of their BAPs with lesser capital risk. Likewise, during this stage, the Project allows the trainee-beneficiaries to organize their own groupings in accordance with the result of the social dynamics during their “classroom” training. Hence, a group of 15 trainees, for example ends up into two or three business groups, pursuing different enterprise in different places.

The application stage provides the trainees the opportunities to learn by doing, even by trial and error, the real aspects of business entrepreneurship – as responsible and self-driven adults. The Project does not provide unsolicited advice except towards the end of the BAP implementation where situation analysis and maybe management systems installation are necessary.

From stage 1 to stage 3, the Project considers the beneficiaries as trainees – doing their things under a training environment. The training period will test their will and competence to go out into the real world of entrepreneurship. They are allowed to assess themselves on their capabilities and capacities to be entrepreneurs, or just to be workers of entrepreneurs. They make decisions on what economic role are they going to play for themselves and for their communities.

Stage 4 – Decisions

Training alone does not create an entrepreneur, especially for the poor with very marginal academic and social preparation. The Project’s present target groups belong to this category. In other words, there are inevitable boundaries of training as a tool for rural enterprise development. External factors such as economic and political policies or programmes of government are the ultimate determining factors for the success and growth of rural enterprises. Hence, a fourth stage in the Methodology is added by the Project – a stage for decision making both for the beneficiaries and for the training intervenors:

Beneficiary – Will I be a good entrepreneur given what I have learned, the productive asset I have, and the opportunities in the community?

Intervenor – Are we ready to pursue providing assistance to the beneficiary knowing our own limitations, and knowing the inherent constraints faced by the poor in his/her environment?

With final answers to these questions, the trainee-beneficiaries will be prepared to venture into further risks that can now involve financial capital. Likewise, the Project can also proceed with greater ease, into further skills training, management and leadership development, organizing the community enterprise system, wider networking or partnering, and providing a more comprehensive programmed of technical assistance. The ILO Project has further re-confirmed that it is not easy to develop the poor as entrepreneurs through training alone. There is a need to address his community, the economic system of his community, the civil structures in his community, and the basic factors that would lead to a sustainable and profitable community enterprise system.

The Project, therefore, has specified the requirements of the fourth stage of the Methodology as:

- organization of a community enterprise system anchored on a management unit (e.g. the State Cooperatives)
- provision of poor-friendly working capital (e.g. endowment fund assistance that could create a venture capital scheme at the community level)
- installation of community management systems through further capability-building and on-the-job training of leaders and managers
- strengthening the natural economy through skills training and a deliberate establishment of forward and backward linkages of community enterprises, and
- building-up of a culture of a corporate community that shall assure continuity, sustainability, and positive impact on the lives of the target groups so that they could shift their focus from the horrors of the past to the promise of the future.