

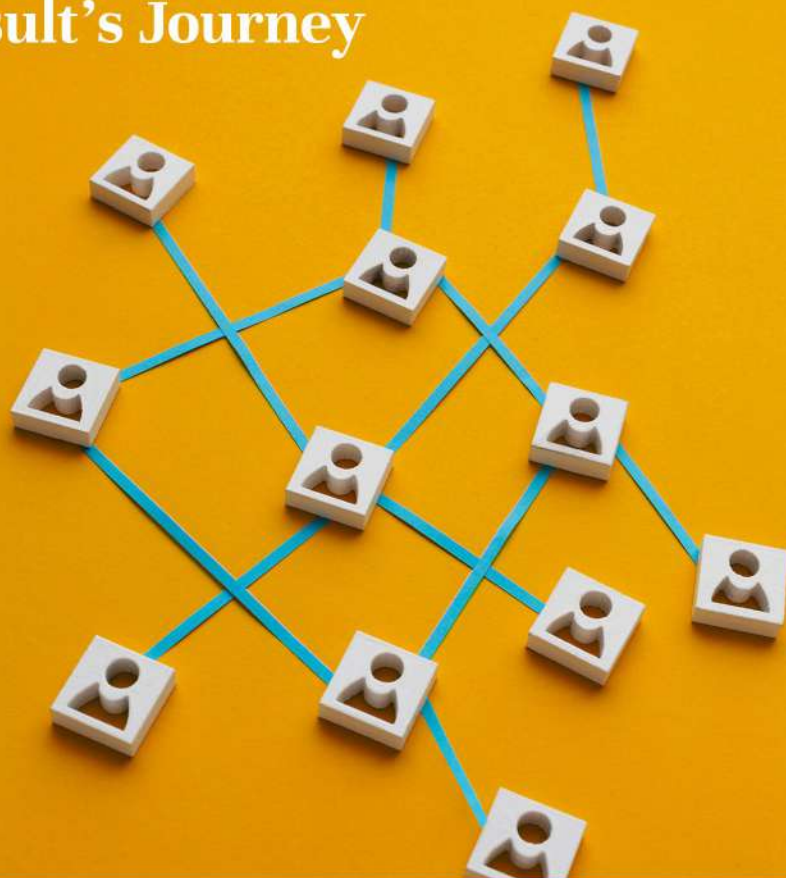
Issue 03
09.2024



*Knowledge and insights from
our development initiatives and partnerships*

HR as a Growth Enabler

Lessons from First Consult's Journey



FIRST CONSULT

Inside this issue:

- 01 HR as a Growth Enabler: Lessons from First Consult's Journey
- 02 A huge overlooked market for financial institutions – Informal enterprises
- 03 Awaqi in numbers
- 04 Amidst Conflict, Horticulture Thrives
- 05 Holistic support to recover well-being and livelihood: Aregu's story

HR as a Growth Enabler

Lessons from First Consult's Journey

FIRST CONSULT

In this article, we share our experiences and the lessons we've learned throughout our journey of growth. With these insights, we hope to provide a roadmap for other organisations seeking to scale their operations and broaden their reach. Our story is one of continuous adaptation, strategic decision-making, and a steadfast commitment to our greatest asset – our people. We invite you to join us as we explore the challenges and successes that have defined our path forward.

First Consult's journey to a company of over 200 employees is a transformative one. At the heart of this transition lies the Human Resource (HR) function, a significant department to an organisation's success. At First Consult, our people are our biggest assets. We worked on a transformative plan to make sure our growth was supported by strong organisational structures. We went from a predominantly Addis Ababa-based team to one that spans 18 cities and towns across Ethiopia and two more offices in east Africa. First Consult also generally has a young team (40% under 35), with a good gender balance including in leadership (41% female in Addis Ababa office).

Our journey has shown that four key components were critical to our success: administration, recruitment, training and development, and change management.

Administration: A solid foundation essential for growth trajectory

Crafting adaptable policies and procedures to align with our evolving structure was challenging. We went from a small firm working on consulting services, with minimal regulations, to building a big team implementing various projects. "Raising four kids cannot be as simple as raising one kid" is a common quote to explain this in simple terms. We had to abide by labour laws and understand how to manage sick leaves, bereavement leaves, maternity leaves etc. at scale. Everything had to be implemented correctly, so we developed an employee handbook to ensure clarity regarding company guidelines.

Recruitment & Onboarding: The foundation of high-performing teams

Identifying the right talent in a competitive market is challenging. At First Consult, we focus on attitude when hiring, as we believe other skills can be taught on the job if a person is willing and open to learning.

Our focus on building high-performing teams starts right away, during the onboarding process. The role of supervisors in onboarding new hires is crucial and an essential benchmark for setting them up for success. To further support new employees, our HR team started the "buddy system" to help them get familiarized with the company and easily integrate into the team. To further support new employees, our HR team started the "buddy system" to help them get familiarized with the company and easily integrate into the team.

We have also recently launched a shadow program for high school and university students, allowing them to get exposure to office life. Additionally, our highly successful Young Professionals Development Program (YPDP) provides recent university graduates with a year-long rotation through various departments, helping them gain practical experience and discover their career aspirations. Our young professionals bring unique experiences and perspectives to our team. By investing in talent development and cultivating a supportive work environment, we are building a strong foundation for our company's continued growth and success.

First Consult Addis Ababa staff celebrating the 2017 Ethiopian New Year



Training and Development: Cultivating a culture of learning and growth

Investing in our people is the foundation of our growth strategy. We start by developing our supervisors, then scaling those efforts to all our employees.

We've realized that effective training is not just about imparting knowledge, but also fostering a culture of continuous learning and development. To this end, we established a Supervisor's Council, where we focus on various training while aligning with our management's goals and visions.

As a company, we value capacity building and have implemented different training initiatives such as the Internal Peer Learning Session (IPLS). In these sessions, intellectual discourse takes place with different topics shared and varying viewpoints from colleagues are welcomed.

We prioritize a positive work environment; our office space was designed by a committee of colleagues to make sure it was well thought out and comfortable for everyone. We regularly organize wellness activities to promote wellbeing and team bonding activities.

Change Management: An enabler of success

Change management was a challenge as we scaled our operations. Converting organic processes into structured documentation was time-consuming but essential. In this process, we learned the importance of leveraging technology to support our day-to-day ad-hoc activities.

Establishing new roles and teams within a rapidly evolving organisational structure required careful planning and execution. To manage a wider talent pool, we had to adapt certain policies and procedures, formalizing our workflows and creating a more robust system.

A competency framework has been introduced clearly outlining the skills and behaviors needed for success in our roles. This will enable the organisation to identify training needs, facilitate role transitions, and ensure the ongoing development of our workforce.

Our journey has been one of continuous learning and adaptation. HR has been a strategic partner in this process. While there were many challenges along the way, the rewards have been equally significant. We've learned that a strong HR foundation, built on effective administration, robust recruitment, thoughtful change management, and comprehensive training, is fundamental for sustainable growth. As we continue to scale, we remain deeply committed to nurturing our greatest asset — our people.



A Huge Overlooked Market for Financial Institutions – Informal Enterprises



Informal enterprises in Ethiopia are often profitable and have the potential to be bankable, yet their relationship with banks and microfinance institutions, remains limited. Most of these enterprises utilize only basic financial services such as savings accounts, while access to loans are unusual.

Despite their need for financing, informal enterprises in Ethiopia often struggle to access credit. According to a survey of 320 informal enterprises in 10 regions conducted by the First Consult Monitoring, Evaluation, Research and Learning team in March of this year, this category of businesses is the least likely to get financing from FIs. In contrast, even startups, by merit of being registered businesses that pay taxes, are more likely to access credit.

Informal enterprises have developed their own informal saving and credit structures to meet their needs. One such structure that is widely utilised is the traditional “Equb” system. Almost every informal enterprise interviewed participates in a nearby Equb group, contributing sums ranging from ETB 200 per day to 5,000 per week.

The study recommends that financial institutions develop tailored products and services to informal enterprises to better meet and serve their needs. Digital financing offers an entry point in this regard; as most informal enterprises use digital payment systems on their mobile phones.

Informal enterprises often serve as important starting points for vulnerable groups such as women, youth, internally displaced persons and persons with disabilities in Ethiopia. Consequently, supporting the growth and formalisation of these enterprises represents an ideal entry point to reach the households of the masses, both in major and minor urban areas.

According to the Ethiopian Central Statistical Agency, the informal sector includes household-type establishments or activities primarily engaged in market-oriented production that is not registered, does not maintain full written book of accounts, employs less than ten individuals, and operates with no license. In Ethiopia, the informal sector is estimated to represent 33.5% of the GDP.



Most informal enterprises consider themselves too small to become formal or to be a client of a financial institution.

Informal enterprises

can offer greater inclusivity for vulnerable groups, such as women, youth, people with disabilities, and internally displaced persons. Many find it easier to start an informal business due to lower barriers to entry.



Sources: A rapid assessment conducted by MESMER in 10 regions of Ethiopia, in March 2024.

MESMER INSIGHT

Click here to find the full study report that delves deeper into these insights:



Awaqi in Numbers



Awaqi is a youth-focused digital platform launched by the BRIDGES programme, which is part of the Mastercard Foundation's Young Africa Works strategy in Ethiopia, and implemented in partnership with First Consult. The platform empowers young people to achieve their aspirations, whether through conventional jobs or entrepreneurship. By leveraging its website and social media, Awaqi shares inspirational content and cultivates an entrepreneurial mindset among young men and women, encouraging them to pursue dignified employment and opportunities for growth.

Total social media followers **531,632**



Women inclusion

159,000



Reach

2 M+



Workshops and training

100+

Total courses

19+



Total students enrolled

100,000+



Testimony

Awaqi is an awesome online platform for anyone who is interested in personal growth.

I personally have benefited from the training opportunities they share, their educational videos, and their Qena Challenge, which was really awesome!



Emnet Tesfaye
Student

Amidst Conflict, Horticulture Thrives



FEED THE FUTURE
The U.S. Government's Global Hunger & Food Security Initiative

Horticulture plays a crucial role in the Amhara region, significantly contributing to job creation, income generation, and improved nutritional status. The region's diverse agro-ecologies and fertile soil are ideal for growing a variety of fruits and vegetables, predominantly produced using traditional farming methods. This sector not only supports local markets but also has the potential to improve nutrition and close gender gaps by providing employment opportunities. Additionally, horticulture helps maintain ecological balance due to the diversity of species cultivated.



Despite the ongoing conflict in Amhara region, the Feed the Future Ethiopia Transforming Agriculture initiative is actively implementing interventions to boost the agriculture sector, essential for food security and economic development. One initiative focuses on supporting the growth and productivity of the horticulture sector around Bahir Dar City.

The activity has established demonstration sites that showcase modern horticulture practices to hundreds of farmers. Through this initiative, farmers receive training on Good Agricultural Practices (GAPs) and are supplied with improved vegetable seeds to boost productivity and yields.

To date, the activity has trained 41 smallholder farmers, including 13 women, in Amhara region, on GAPs and provided them with improved seeds for growing vegetables. These efforts are already yielding promising results.

Etenesh Mulat, a 35-year-old mother of four, is one of the farmers benefiting from this program. She shares that the training has transformed her vegetable-growing methods, resulting in significant yield improvements.



We have implemented the new agricultural methods and improved seeds, and the results are remarkable. I see two to three times the yield of vegetables compared to what I used to produce.

Etenesh Mulat, vegetable farmer, Amhara region.





Another farmer, Berihun Maru, has also experienced the program's benefits. With training and high-quality seeds, he has planted close to a hectare of land with tomatoes, kale, onions, and cabbage. Berihun has begun selling his produce in local markets, offering fresh and competitively priced products to consumers.

"The training and the improved seeds are making a big change. We have started to market our products to the city residents. They are very much happy with our product quality and reasonable price. I now expect a hefty sell of at least 500,000 birr at the end of the harvest season," — Berihun Maru, vegetable farmer, Amhara region.

By equipping farmers with essential skills—from planting to marketing —the Feed the Future initiative has not only boosted the incomes of participants like Etenesh and Berihun but also improved community level access to high-quality vegetables at affordable prices.

Etenesh and Berihun's vegetable fields serve as demonstration sites for other horticulture farmers to learn about the practical application of GAPs and improved seeds. The Feed the Future Ethiopia Transforming Agriculture activity field days on these sites to further give hundreds of farmers, the opportunity to learn from successful examples, discuss challenges and approaches, and share their experiences.

To further enhance the horticulture sector, the initiative aims to revitalize and establish fruit nurseries and vegetable seedling nurseries through support for youth-oriented MSMEs. Additional goals include private-sector procurement and distribution of hybrid vegetable seeds, co-investment grant support to upgrade irrigation infrastructure and technology, and support for aggregation hubs supplying raw materials to food processors, including technical services for out-growers.

Holistic support to recover well-being and livelihood: Aregu's story



Aregu Melaku, a 35-year-old single mother from Kutaber Woreda in Amhara Region, has faced a lot of hardships. After losing her left leg to chronic health problems and her husband leaving her, she found herself with the responsibility of raising two children and supporting her mother. Her situation became even more challenging when the conflict in the region resulted in the destruction and looting of her small coffee shop.

In her time of need, Aregu received support through the MESMER Programme, which provided both a grant and psychosocial support (PSS). She attended public awareness sessions and participated in eight weeks of group counselling, which greatly led to improvement of her mental and emotional well-being. The resources allowed her to regain stability and confidence in herself and her business as well.



I used to relate each loud sound with the sound of the explosion of guns. Then I started the counselling session, and the cases discussed and the explanation by the counsellors started attracting me. I internalized and related them with my own life. The coming Ethiopian new year is the beginning of my journey to attain my future goal.

Aregu used the grant to purchase the materials necessary to revive her business. With MESMER's assistance, Aregu received government support, where she was provided a designated working space. By the time of the midterm evaluation, she was earning about ETB 1,000 daily (from what used to be 400ETB), working six days a week, and bringing in a monthly income of around ETB 24,000.

Aregu's story highlights the importance of layered support - combining access to finance with other forms of support like PSS, business development services and government support enabling enterprises to rebuild their business.

Today, Aregu stands as a testament to resilience to women in her community, thriving and hopeful.



Aregu Melaku, a small coffee shop owner who is a MESMER programme participant in the Kutaber Woreda in Amhara Region.



FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative



First Consult is the leading development consulting organisation in Ethiopia. Founded in 2006, First Consult (FC) has grown to design and implement economic development projects across the agriculture, manufacturing and service sectors. Our multidisciplinary teams combine a capacity to execute with clarity of the local context. We leverage on our partnerships with public and private organisations as well as a networked on-the-ground presence in most regions of Ethiopia. We have delivered at-scale real impact in terms of jobs & wealth creation, business formation & growth, and investment attraction & mobilization.

Projects featured in this edition of *The Context*:



The Micro, Small and Medium Enterprise Recovery and Resilience (MESMER) Programme, a five-year programme launched in October 2022, works to support 72,200 MSMEs and create 410,800 jobs within enterprises by building the resilience and growth prospects of MSMEs through access to finance. The Programme is supporting MSMEs by providing business development support, psychosocial services and technical assistance to financial institutions.



BRIDGES is a five-year programme (2019-24) aiming to create and support 718,000 youth jobs, mostly for women. It's implemented by First Consult in partnership with the Mastercard Foundation. The Programme focuses on the manufacturing sector, covering all regions and city administrations to address unemployment in Ethiopia.



Funded through USAID, as part of Feed the Future, the U.S. Government's global hunger and food security initiative, Ethiopia Transforming Agriculture is a five-year, \$67 million activity that seeks to influence and inspire the country's agriculture and food system actors to sustainably improve the diets of 7 million people, particularly women and children, living in 132 target woredas (districts) across the country.

Join us on this transformative path as we unlock opportunities and shape a brighter future for Ethiopia.