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A SURVEY OF EXPORT DEVELOPMENT TOOLKITS

USAID uses a toolkit approach to international development across the Agency—and with good reason. Toolkits efficiently aggregate and present information for all kinds of issues and can meet the needs of a wide variety of end-users in a wide variety of situations. Rather than presenting a single one-size-fits-all solution, they offer a suite of resources and allow end-users to choose which tool is best for addressing their particular issue or situation.

Both USAID bureaus and contractors have successfully created toolkits to address a variety of challenges. In the area of trade and economic growth, Africa Bureau has led the way, with a strong and comprehensive Web-based / CD-ROM toolkit from the West Africa Trade Hub in Accra, Ghana, and a methodology toolkit built upon a case study of the Ethiopia-based AGOA+ project.

With the goal of building on this experience and success, regional mission and bilateral mission staff have expressed a desire to define best practices in designing export development materials, in part to inform the shape of the trade hubs under the African Competitiveness and Trade Expansion (ACTE) initiative.

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This brief describes some of the leading USAID and non-USAID toolkits (with an emphasis on export development toolkits) and describes essential content and practices for successful toolkit building. It has four parts.

- The first, *Understanding Toolkits*, describes what a toolkit is and why toolkits are both popular and effective.
- The second section, *A Brief Survey and Analysis of International Development Toolkits*, describes and analyzes the key features of important export development toolkits.
- The third section, *Best Practices*, describes and explains leading practices—and the reasoning behind them—developing and implementing best practice toolkits.
- The fourth section, *A Toolkit Case Study*, documents and analyzes how an export development toolkit was able to drive exports by providing information to an African entrepreneur.

UNDERSTANDING TOOLKITS

WHAT IS AN EXPORT DEVELOPMENT TOOLKIT?

An export development toolkit is a set of tools and resources, intended to help aspiring or current exporters, that is assembled in a single package, accessible by a printed document, a Web site, or a CD-ROM. The sizes, foci, contents, and delivery mechanisms of toolkits vary enormously, but their focus on providing end-users with a suite of exporting-related resources is universal.

The most effective toolkits are a single source for either meeting or helping the user meet many of the operational, tactical, and strategic needs that they face as exporters.

EXPORT DEVELOPMENT TOOLKIT CONTENTS

There is considerable variation in export development toolkit content, but a few common characteristics and elements can be described. A typical export toolkit might have:

- A business plan guide or template (a business plan is useful to both a start-up company that intends to make exporting its primary line of business and an existing business that wants to develop a plan for exporting).
- An “Am I Ready to Export?” checklist.
- A list of market information, market research, and “match-making” resources. These are often Web sites.
- A list of resources, calculators, and spreadsheets that focus on export financing and cash flow.

- A calendar with major trade shows and other industry events of interest to potential exporters.
- Presentation-type materials on technical requirements for exporting (e.g., SPSS requirements, packaging, labeling).

One of the important characteristics of the content of a toolkit is that it provides a wide variety of resource types. These might include Web sites, spreadsheets, checklists, and templates for such things as invoices, contact trackers, and letters of introduction.

WHY HAVE A TOOLKIT?

A toolkit approach to providing development resources is efficient and useful to both the resource provider and the recipient. By providing all the relevant resources at once, toolkits:

- *Provide a comprehensive overview of the export process.* This allows the potential exporter to carefully evaluate the effort, capital, and product required before deciding to commit to seeking export markets. It also allows for more effective planning, as end-users can use the toolkit to estimate the level of effort, time, and money required to begin exporting.
- *Ensure that key resources are not missed.* By eschewing a model in which potential exporters request information for areas in which they think they need help, the toolkit pushes information to end-users in areas where they did not know that resources were available or did not know that a “best practice” existed.
- *Provide general business training.* Even toolkit elements that are not directly relevant to the user’s product or export plans can still be useful. For individuals new to the norms and standards of international business, even content that is not directly relevant to the business can provide business training and increase skills and functional knowledge.

Some observers point out that not all information in a toolkit is relevant to every end-user. This is true, but the marginal value of providing all the available resources in one place far exceeds the cost of including potentially non-relevant resources.

Of course, toolkit providers should think through their situation before deciding how to proceed. If providing the toolkit on a CD-ROM or Web site, the marginal cost of including irrelevant data is effectively zero. If providing a printed guide, the marginal cost is higher.

Toolkit developers and providers will need to decide if breaking toolkits down by step (e.g., “Am I Ready to Export?”, “My First Shipment,” “Getting Paid”), by product (e.g., apparel, specialty food, cutlery), or functional area (e.g., financing, marketing) or some other way makes sense given their volume and target audience.

A BRIEF SURVEY AND ANALYSIS OF INTERNATIONAL DEVELOPMENT TOOLKITS

There is a wide variety of resources targeted to a wide variety of current and potential exporters. This section will offer a brief survey of important or interesting international development toolkits with the goal of further clarifying what a toolkit is and showing their great breadth and variety.

INTERNATIONAL FINANCE CORPORATION—SME TOOLKITS



This screen shot from the South Africa IFC Web site shows that import/ export resources are located on a pull down menu—and are only a small part of the resources offered.

Third, the toolkits offer more advice than tools such as forms, spreadsheets, and comprehensive checklists; thus, rather than “toolkits,” they might be more accurately described as, “on-line guidebooks.” Some of the Web sites offer forms and models (e.g., sample business plans) but this is not the majority of the content.

AGOA EXPORT TOOLKIT (WEST AFRICA TRADE HUB)

The AGOA Export Toolkit, a toolkit created and maintained by the West Africa Trade Hub, is a comprehensive and deep toolkit. It has several features of particular note.

First, this toolkit targets a number of end-user types. There is extensive information for all kinds of entrepreneurs in the form of export guides, trade policy, and an eBusiness Library. But, there is also

The International Finance Corporation (IFC), part of the World Bank Group, offers a series of Web-based toolkits (many of which share common content) that may be one of the most comprehensive toolkits available at no cost on the Web. Although not specifically designed for export promotion, they are nonetheless so thorough and complete that the information that they contain cannot help but be useful in some way to an export-oriented enterprise.

The IFC SME toolkits have several interesting features.

First and perhaps most notably, although there is an “IFC SME Toolkit” home page, there are various country- and region-specific toolkits. For instance, for Africa, there are eight country toolkits and one regional toolkit.

Second, rather than just providing advice from the IFC and its team of experts, some of the country-specific SME toolkit sites offer forums in which users can ask and answer questions. As of June 2011, the forums that this report visited were not very active but the principle of peer-to-peer support is important and potentially useful.

The IFC SME Toolkit Web site has dedicated toolkits for the following countries and regions:

AFRICA: Algeria, Kenya, Madagascar, Mozambique, Nigeria, Rwanda, South Africa, West Africa, Zambia

AMERICAS: Brazil, Caribbean, Latin America, Mexico, Peru, United States

ASIA: Bhutan, Bangladesh, China, India, Indonesia, Malaysia, Mongolia, Nepal, Pakistan, Philippines, Saudi Arabia, Singapore, Sri Lanka, Vietnam

EUROPE: Belarus, Macedonia

information targeted more narrowly to individuals working in agriculture. Still more narrow than that, there are sections and resources devoted to specific product areas. These specific product areas are shea, apparel and textiles, fish and seafood, handicrafts, cashew, and specialty foods. (It should be noted that even these narrow areas are not single products. For instance, even for shea, there are a variety of ways to package and sell this raw ingredient.) This is an unusually broad target audience for a toolkit; however, the breadth of resources can support this very broad scope.

Second, the AGOA Export Toolkit is available on both a Web site and on CD-ROM, reflecting variable access to technology among end-users in West Africa.

Third, and this is of greater interest from a branding and marketing angle than from an end-user angle, the toolkit is advertised as the “AGOA” export toolkit rather than, say, the West Africa Trade Hub toolkit.

AGOA+ TOOLKIT: LESSONS LEARNED ILLUSTRATED BY ETHIOPIA’S AGOA+ PROJECT

This toolkit derived from the “**AGOA+ Case Study and Project Profile,**” summarizes the critical lessons learned from a successful trade development project. These lessons are divided into the design and implementation phases.

DESIGN PHASE

- 1) *Understand the logic of existing trade patterns and relationships.*
Understand the trade regime of a country, including who its traditional and current trading partners are, what types of products are exported/imported, and what trade agreements offer preferences that might influence the trade flows. ...

The AGOA+ Toolkit captures critical lessons and best practices identified during a successful trade development project. The best practices are grouped into “design” and “implementation” phases.

This toolkit is an interesting example of a “lessons learned” toolkit. Rather than providing templates and document samples, it provides concrete and actionable guidance for each phase of a project.

The suggested practices in the toolkit include broadly strategic and concretely operational advice.

At a high level, the toolkit suggests, “Understand the logic of existing trade patterns and relationships. Understand the trade regime of a country, including who its traditional and current trading partners are, what types of products are exported/imported, and what trade agreements offer preferences that might influence the trade flows.”

At a lower and more operational level, it advises, “Create a calendar of AGOA events. Provide a rolling 24-month calendar of AGOA events that include the annual AGOA Forum, senior USG trade missions or visits, AGOA workshops in other countries, and significant U.S. trade shows to allow key officials to plan participation and recognize the project’s role in helping promote the country’s exports.



END MARKET RESEARCH TOOLKIT: UPGRADING VALUE CHAIN COMPETITIVENESS WITH INFORMED CHOICE.

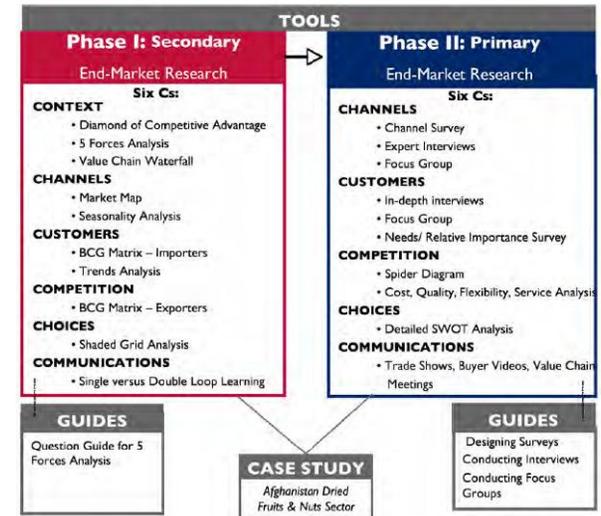
This resource is not a toolkit for export-oriented entrepreneurs but CTOs overseeing value chain projects.

The toolkit's introduction says, "This toolkit informs implementers on the process and value of end-market research efforts for value chain development, provides a portfolio of tools, and grounds these tools through case studies of their practical application." It goes on to say, "the toolkit is targeted at USAID CTOs who are managing value chain development projects, USAID implementing partners, in-country consulting or market research firms, and independent consultants."

It is included in this brief because of its formidable depth and rigor and because of the relevance of value chain competitiveness to increasing exports.

There are several interesting features in this toolkit:

- This document has chosen classic business strategy tools such as SWOT analysis, the Boston Consulting Group matrix, and Porter's Five Forces. While elite strategy firms use this thinking, the ideas are powerful and accessible enough for anyone to benefit. It is a good example of not being afraid to bring first-tier business thinking to development challenges or assuming that such thinking is irrelevant.
- The toolkit very effectively links the various tools that it offers to a single case study that it carries through the entire document. This has the useful effect of showing how different tools reveal different information and solve different problems. This is not appropriate to a broad-based toolkit such as the West Africa Trade Hub's, but narrowly focused toolkit developers would be wise to consider it.



This toolkit is a PDF and while, it has links to sources, it appears that it was intended to be a printed rather than a Web-based document. Given the nature of the content, which generally requires end-users to choose their own format, this seems logical and appropriate.

TECHNICAL TOOLKITS

It is worth noting that there are a small number of technically oriented toolkits in the international development community. For instance, the World Bank hosts a Web site devoted to "Toolkits for policymakers and reform leaders," "Privatization Toolkits: Sector-Specific," and "Privatization Toolkits: Cross-Sector." Representative toolkits include those for business inspections, business membership organizations, reforming business registration, highway privatization, and others.

These are not directly relevant to export-led growth but do show the validity of the toolkit approach to grouping and presenting information.

EUROPARTNERSHIPS INTERNATIONAL SME EXPORT TOOLKIT

This private company Web site is an interesting example of a “toolkit” that does not offer tools but does offer a useful set of specific and pointed questions. Although there are no suggested answers to the questions, not having thought about the questions should raise a red flag with a potential exporter. This Web site also has case studies.

Although principally a marketing tool, it is still worth noting: *URL: <http://europartnerships.co.uk/toolkit>*

“GET RICH QUICK” SCHEMES TO AVOID

A number of “get rich quick” Web sites “guarantee” success to the unwary. They should obviously be avoided; however, given the emphasis that USAID puts on trade as a driver of economic growth, there is some risk that business people in countries where USAID is active may purchase one of these services. They are noted here for reference only.

BEST PRACTICES

DEFINING YOUR TOOLKIT: PURPOSE AND AUDIENCE

Toolkits are not like multi-function Swiss Army knives –good at lots of things. The most effective toolkits have clearly defined purposes and audiences.

Most of the time an overlap exists between your purpose and audience (e.g., your purpose might be, “we want to help SMEs in Zambia increase and diversify their exports” in which case the target audience is already “baked in”). Nonetheless, it is useful to separate the two.

DEFINING YOUR DELIVERY MECHANISM:

Choosing the best way to deliver a toolkit is an important strategic consideration. Although print remains an option, the increased penetration of computers and Internet access (though Internet access is highly variable) strongly suggests that providing the toolkit through a combination of a Web site and a CD-ROM with backup print copies is preferable.

Some users will not be able to use a CD-ROM or access the Internet. In these cases, a flash drive (aka, jump drive, thumb drive, memory stick) is recommended.

CONSIDERATIONS FOR TOOLKITS ON WEB SITES AND CD-ROMS / FLASH DRIVES

Although the Microsoft operating system and Microsoft Office Suite have enormous market penetration, their market share is being eroded by assorted freeware products. Preparers of toolkits should not assume that end-users have and are using Microsoft Office products.

Alternatives to providing documents in MS Office format include providing them in:

- PDF
- Google Docs
- Universal document format
- Files the .txt format (probably the least desirable choice but still an option)

For interactive document such as spreadsheets, Google Docs may be an ideal choice.

When designing Web pages, it is important to remember not to use large images that take a long time to download on slow Internet connections and to avoid or minimize Flash, Java, and related software, which does not work on browsers that users have not been scrupulously kept up to date.

Measuring Success

There are many ways to evaluate toolkit success but some of the most desirable ways are hard to measure. Developers of toolkits will probably want to develop and use their own measures as well as those required by the entity that funds the project.

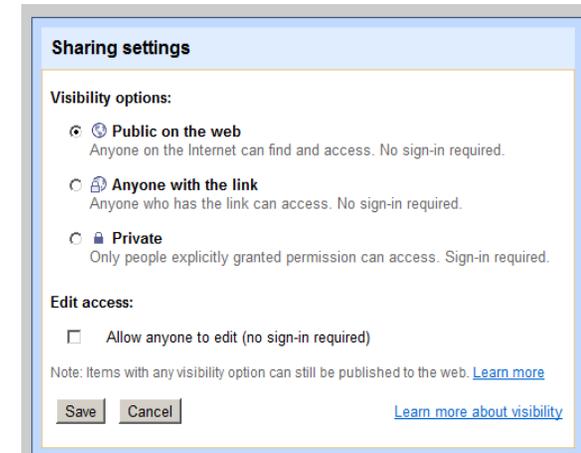
Here are some classic ways to measure toolkit success.

Distribution

- Number of toolkits distributed on paper or CD-ROM
- Estimated toolkit views (e.g., a multiplier, usually greater than one, of the number of paper or CD-ROM copies distributed)
- Number of unique and repeat visitors to toolkit Web sites

Estimated Use

- Request use information from end-users in the form of surveys or anecdotal data.
- Questions should focus on:
 - How many of the tools in the toolkit did the user actually use?



Google Docs is a rapidly evolving technology that allows users to publish documents, including spreadsheets with formulas, on the Web. The only software required is a Web browser—an important consideration in cost- and technology-constrained environments.

- Are the tools still being used? If so, are they being used as they were provided in the toolkit or have they been modified? If not, why were they replaced and what were they replaced with?
- What elements of the toolkit did the user find useful or interesting but not use as a tool? (For instance, a tool might show the user the importance of customer tracking but the user chooses to design their own customer tracking system or tool.)

Documented Success

- Value of export sales achieved through use of the toolkit.

Although the ultimate goal, of course, is profitable export selling, if export selling is the sole focus important progress can be missed. Consider measuring these areas in addition to profitable export selling

Marketing and Sales

- Changes in number of active sales leads.
- Changes in the number of potential customers that contact the company (rather than the other way around).
- How far customers get in the sales process.

Product Development and Design

- Time required for product conception
- Time required for product design
- Number of products offered (called SKUs, or shopkeeping units, in the retail trade).

Processing and Manufacturing

- Materials cost per unit
- Time to produce per unit
- Total units in process at any one time
- Amount of production inventory required / unit produced (i.e., lowering costs and capital requirement by moving to a more “just in time” system).

An important (though slightly dated) evaluation of toolkit effectiveness achieved in West Africa is illustrated below.

Maintenance

A toolkit should be considered a living document and must be updated regularly.

From a competitiveness standpoint, end-user wants and needs, market conditions, and business best practices are constantly changing. For a toolkit to be useful it must be kept up to date. Sources of information on what and how to update content should come from close interaction with end-users of the toolkit and an on-going effort to identify and learn about business trends. A proactive stance towards updating content is required.

Whereas not updating strategic content can lead to a loss of competitiveness, not updating regulatory and legal information can lead to lost sales and rejected merchandise, not to mention serious and avoidable legal troubles. With this in mind, it is usually wise not to attempt to provide the latest regulations in a toolkit. Instead, point out the great importance of regulatory compliance and provide links to “source sites” (e.g., United States Customs and Border Patrol or local freight forwarders). Leave providing updated information to the experts!

A TOOLKIT CASE STUDY

The toolkit case study below provides an important (though slightly dated) evaluation of toolkit effectiveness. It illustrates how an export development toolkit was able to drive exports by providing information to an African entrepreneur. Abou Fall, an export development expert with the West Africa Trade Hub, tells the following story of an entrepreneur who is using a toolkit to prepare to export.

THE REAL WORLD: A TOOLKIT IN ACTION

Two years ago, a honey producer came to me with a plastic bottle filled with honey and a bad looking label on it. He said he wanted to find United States buyers and begin exporting his honey. I admired his ambition but he clearly had a long way to go.

My first step was to take him through the toolkit and our export guide for agro-processed products and showed him the packaging and labeling template. He reviewed the toolkit, paying special attention to packaging and labeling requirements, and then focused on the directory of packaging manufacturers in West Africa. He came back two weeks later with a new package and label that complied with export requirements.

I then took him through the costing and pricing template we have in the toolkit to help him figure out his costs (and therefore his minimum price). With this in hand, I introduced him to supermarkets in Ghana where he was able to secure an order. The costing and pricing information also helped him with a banking relationship through which he was able to open a bank account and ultimately get revolving credit.

Finally, we invited him to attend the Fancy Food Show (and shared trade show strategies from the toolkit). When he came back, he stated that had learned enough about the market to organize his production. After a bit more work, he used the contacts that he had made at the show to secure an order from a customer in Canada and is currently working on an order for Israel.

It is inspiring to me that an entrepreneur was able to use many parts of the toolkit, with materials ranging from packaging, labeling, access to finance, costing and pricing, negotiating a contract, how to participate at a tradeshow, building a relationship with buyers, understanding the requirements (FDA, HACCP), and export documentation.

It really made a difference.