

Gathering Information from Businesses

By Alexandra Miehlabradt and Hans Posthumus

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Private sector development programs often find it challenging to gather information from businesses, particularly on operations and performance. Businesses do not always provide this information either because they are not willing, or they are not able to. It is important see the issues from a business's perspective, to determine what information a development program really needs and to decide what is reasonable and realistic to ask a business for. This Practitioners' Note outlines tips on how to start off on the right foot with businesses and how to address challenges in information gathering that arise during implementation.

1 The Challenge

Private sector development programs work with businesses to help them grow and create jobs and economic opportunities for poor women and men. To develop their strategies and interventions and to understand the results of their activities, programs need information from businesses. This information includes quantitative data, such as sales, costs and numbers of customers, and qualitative information, such as a business owner's opinion on reasons for changes and his or her plans to continue, expand or adapt a new business model. Most frequently, programs need information from the businesses with which they work directly, but programs may also need information from businesses with which they do not work.

While some businesses readily provide accurate, timely and sufficient information, others do not. Program staff do not always know why some businesses do not provide the information they need and how to improve their information gathering from businesses. It can be particularly difficult to get information from businesses on their operations and performance. Some practitioners have noted that their requests for information seem to damage their relationships with businesses.

2 Approaches and Tips from Practitioners

2.1 Understanding Businesses' Perspectives and Capacities

The first step in improving information gathering from businesses is understanding the businesses' perspectives and capacities. There can be a variety of reasons why some businesses respond negatively to information requests. For example, businesses often do not understand the reasons for information requests. They may be concerned that information will be shared with competitors, damaging their competitive advantage, or that information will be used to increase their taxes or accuse them of violating regulations. Business people often lack time or do not see collecting and providing information to a program as a priority. They may not see the value of the information to their own businesses. Some businesses may lack the capacity or skills to gather the required information.

Programs are more likely to get required information if they identify and address the particular issues a business has with providing information. Businesses' issues with providing information typically fall into two broad categories: willingness and ability.

Issues that affect **willingness** to provide information:

- **Relationship issues** between the program and the business, such as:
 - the business is not fully on board with the partnership or the program;
 - the business does not understand why the program needs particular information and/or only wants to provide positive information;
 - the person with whom the program is dealing does not have authority to share information;
- **Confidentiality**, particularly the concern that information will be shared with competitors, suppliers, politicians, regulators or tax authorities with negative consequences for their business;
- **Lack of incentive** to provide information, for example:
 - Not seeing the value of the information to the business;
 - Not seeing the value of providing information to the program;
 - Providing the information is not a priority compared to other tasks.

Issues that affect **ability** to provide information:

- **Lack of capacity or skills** to gather required information accurately, such as:
 - Poor or no system for gathering the required information;
 - Lack of skills to get, record, calculate and/or analyse the information;
 - Procedures or red-tape that prevent the business from sharing the required information.

It may not always be possible to pinpoint the exact issues for each business. However, keeping the perspectives of businesses in mind will help staff to gather information from businesses effectively. Most of the suggestions below can be useful even when they don't address all of a businesses' issues.

There is a common perception that big businesses have issues with willingness but not ability to provide information and small businesses are the opposite. However, this generalization often does not reflect reality. Practitioners report that small businesses can have just as many issues with incentives and confidentiality as big businesses. Similarly, practitioners are often surprised that many big businesses have poor information systems. Therefore, it pays to stay open-minded when investigating what issues businesses have around willingness and ability to provide information.

2.2 Getting Started on the Right Foot

Communicating clearly about information needs and addressing issues up front can make it easier to get information from businesses. There are three interlinked steps that help programs to get started on the right foot with businesses:

1. **Determine what information the program actually needs from the business.** Many programs fall into the trap of asking for 'nice to know' information, rather than only 'need to know', or asking for information that the business has no incentive to gather. Decide what is reasonable and realistic to ask a business to provide. Be prepared to trim this list if necessary based on the steps below. For other required information related to activities with a business, either provide support to the

business to get the information or have the program gather the information directly, with the cooperation of the business.

2. **Find out what information a business already generates** for itself and assess how accurate that information is likely to be. Ideally, most or all of the information a program requests should be information that the business already has.
3. **Assess what information is genuinely valuable to the business** for their own management. It's important to work with incentives. When information is valuable to a business, they will likely want to gather it accurately and on time. When it is not, they are likely to worry less about accuracy and timeliness.

Practitioners have identified useful tips to increase the chances of getting accurate, timely information from businesses. The tips, in the table below, are organized according to the issues of willingness and ability. It can be particularly difficult to get information from businesses with which the program does not work. The last column shows which approaches are most appropriate with partner businesses (P), non-partner businesses (N) or with both.

Businesses need information on their own operations, such as sales, costs, number of customers etc. They also need some information on suppliers, such as how much of what quality each supplies how often; and on customers, such as basic characteristics and feedback on their products or services. Typically, it's more realistic for businesses to gather information from suppliers and customers at the point of interaction. Where there is a need to survey suppliers or customers and/or to get deeper information, such as changes in income, it is usually best handled by the program directly. The program will still need support from the business, however, for information such as a list of customers, and tasks such as informing suppliers about the dates of a survey.

| Issue | Tips | With whom |
|---|--|-----------|
| Willingness to provide information | | |
| Relationship issues | <ul style="list-style-type: none"> • Conduct a kick-off meeting with partner businesses to build the relationship; emphasize the importance of information sharing in this meeting. | P |
| | <ul style="list-style-type: none"> • Get the business owner and/or senior managers on board with the partnership early on; explain why information is important to the partnership. Emphasize that accurate information is useful, even if it is not 'positive', for example if it shows sales are dropping. | P |
| | <ul style="list-style-type: none"> • Agree on information to be shared, timing and format during the partnership negotiations; put the agreement in the contract. Be as specific as possible; ideally include a list of indicators and reporting timelines. For information that the program will gather directly, agree on what support the business will provide for the information gathering. | P |
| | <ul style="list-style-type: none"> • Ensure that only one staff member from the program asks for information from a business, ideally the staff member managing the partnership; it can be hard on a business when they get multiple requests from several people. | P |
| | <ul style="list-style-type: none"> • Ask the partner business to designate one point-person for the program who will be responsible for providing information. | P |

| Issue | Tips | With whom |
|---------------------------------------|--|-----------|
| Confidentiality | <ul style="list-style-type: none"> Explain the program and what it does; assure businesses that no information on specific businesses is shared with tax or regulatory authorities. | P/N |
| | <ul style="list-style-type: none"> Explain why each piece of information is needed and what it will be used for. Explain what information will be shared with whom and how. For example, only aggregated information on number of clients and sales across all of the program's partners will be reported publicly. | P/N |
| | <ul style="list-style-type: none"> Put confidentiality agreements in the contracts with partners. If sensitive information is needed before a contract will be signed, provide a letter to potential partners assuring confidentiality of specific information on operations and performance. Think in advance about what information to make public or share in order to promote learning and discuss that with partners, coming to an arrangement that balances the needs of the businesses with the needs of the program. | P |
| Lack of incentive | <ul style="list-style-type: none"> Make the receipt of specific data a deliverable in the contract against milestone payments. | P |
| | <ul style="list-style-type: none"> Explain the usefulness of information to the business or jointly analyse information together to show how it can be valuable to the business. | P |
| | <ul style="list-style-type: none"> Ensure that reporting requirements for a partner business are reasonable in light of the amount of investment and time period of the partnership. | P |
| | <ul style="list-style-type: none"> Be clear on what the program can bring to the table, such as information, linkages and networks, and use this to encourage sharing of information. For example: <ul style="list-style-type: none"> In exchange for information from a business, offer to share broad information from market research (being careful not to share any confidential information); Promise to share aggregated information from all businesses with those that provide information; Offer to hold networking events where businesses that share information have an opportunity to meet other sector stakeholders. | P/N |
| Ability to provide information | | |
| Lack of capacity or skills | <ul style="list-style-type: none"> As part of developing a partnership, work with the business to assess their capacity to collect, record and analyse information. Based on this, include in the contract a plan to build the capacity of the business where there are gaps in their skills. This might include technical assistance or co-financing the installation of a data collection and management system. If necessary, also build the business's capacity to see the value of information and use it to improve the business. | P |
| | <ul style="list-style-type: none"> Align requests for data with the business's data structure and language. It is useful for a results measurement specialist to work together with the implementation manager in charge of the | P |

| Issue | Tips | With whom |
|-------|---|-----------|
| | partnership to ensure the information requests fit the business. If it is easier for the business, agree to receive data in the business's format (instead of insisting on the program's format). | |
| | <ul style="list-style-type: none"> If the business has none or does not want to use their own, provide clear and simple templates for reporting information. | P |

2.3 Troubleshooting and Improving Information Gathering

Even with a good start, challenges may emerge in gathering information from businesses. The table below provides tips from practitioners about how to improve information gathering and what to do when requests for information are not getting the desired response from businesses.

In the PROOFS (Profitable opportunities for food security and nutrition) project implemented by iDE Bangladesh, iCCO cooperation and BopInc, the team was collecting sales data from partner businesses monthly to measure enterprise performance. However, the team was having difficulty getting sufficient and timely information from partner businesses due to the frequency of data collection and the high number of businesses (around 1280). To improve the situation, they lessened the frequency of partner reporting from every month to every quarter and asked for more qualitative information. These changes significantly improved the amount and timeliness of information from partners. The changes decreased the burden on partners and the qualitative information increased the value of the information gathering to both the partners and the project.

Iffat Ara, Officer- Innovation and Quality Management, iDE

| Issue | Approaches and Tips | With whom |
|----------------------------|---|-----------|
| Relationship issues | <ul style="list-style-type: none"> Ensure information requests are clear. Check that the business understands them. | P/N |
| | <ul style="list-style-type: none"> If not done during negotiations with a partner, follow up after contract signing by developing a simple reporting format with the business and enforce its use regularly. | P |
| | <ul style="list-style-type: none"> Identify champions in a business who understand the need for and uses of information. Encourage them to influence others. | P/N |
| | <ul style="list-style-type: none"> Build informal relationships with relevant people at the business. | P/N |
| | <ul style="list-style-type: none"> If all else fails, refuse to continue a partnership without information. | P |
| Confidentiality | <ul style="list-style-type: none"> Carefully stick with your commitments to not share specific information with others, even verbally. If there is an unanticipated need to share information (for example for reporting or to promote learning), discuss it with the business in advance and do not proceed until there is agreement. | P/N |
| Lack of incentive | <ul style="list-style-type: none"> Explain to partners that the program cannot adapt an intervention to be more effective (for them and others) without information. | P |
| | <ul style="list-style-type: none"> Ensure businesses that share information receive public or government acknowledgement for their cooperation (if this is important to the business). This may also encourage others to share information. | P/N |
| | <ul style="list-style-type: none"> Lessen the frequency of data collection. | P |

| Issue | Approaches and Tips | With whom |
|----------------------------|---|-----------|
| Lack of capacity or skills | <ul style="list-style-type: none"> If gaps in a partner's capacity to collect, record, analyse and use information are found during implementation, add capacity building in this area into the partnership agreement. | P |
| | <ul style="list-style-type: none"> Where additional requests for information are unavoidable, give plenty of notice of what information is needed and when; provide support to gather it if needed. | P |

2.4 Improving Accuracy and Amount of Information

Sometimes, even with the best effort, it is not possible to get sufficient information from a business. In addition, practitioners are often not sure about the accuracy of information from businesses. Programs have found various ways to address these challenges:

- Triangulate information from businesses with other sources (for example, data from beneficiaries on sales and purchases).
- When analysing data from multiple businesses, identify outliers and analyse the reasons for them to help assess data accuracy. Go back to those businesses that provided the outlier information and explain how information has been analysed and will be used. Seeing the value of the information may encourage a business to explain outliers or provide more accurate figures.
- Work with government or industry associations to collect data on businesses in a sector. They may be able to get more or more accurate information from businesses than a program can.
- Get quantitative data on a sector from secondary sources to supplement data from businesses. Lessen the amount of quantitative data gathered from businesses while getting more in-depth qualitative information. Businesses often perceive qualitative information as less sensitive. Qualitative information is extremely useful for improving interventions and can help to assess the accuracy of quantitative data.
- Outsource data collection to specialists (for example, private research firms who frequently work with businesses); they may have skills and contacts that the program does not.

3 The Bottom Line

Programs can make information gathering from businesses smoother by understanding businesses' perspectives and heading off issues early. The first step is to determine what information is realistic and reasonable to ask businesses for. It pays to identify issues with partner businesses during the negotiation phase and integrate both information gathering and solutions to the issues into the intervention plan and the partner contract. Issues may still arise, however. Although this is frustrating, it's useful to look at the situation from the businesses' point of view to help identify solutions that can work for all involved.

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Alexandra Miehlbradt www.miehlbradt.com

Hans Posthumus www.hposthumus.nl

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