
2015

Strategic Plan Refresh



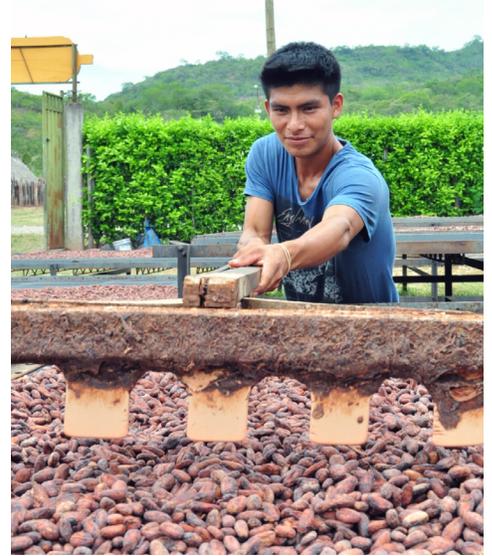
TECHNOSERVE
BUSINESS SOLUTIONS TO POVERTY



Who We Are

Our Vision We will be the most effective catalyst and partner for transformative, on-the-ground, market-based solutions to poverty.

Our Mission We work with enterprising men and women in the developing world to build competitive farms, businesses and industries.



A Challenge to Achieve More Impact

In 2013, after 45 years of providing business solutions to poverty, TechnoServe challenged itself to deliver greater impact than ever before.

We launched an ambitious five-year [Strategic Plan](#) that aimed to double our impact by reaching 1 million people in a single year and generating \$500 million in incremental financial benefits for the people we work with over the five-year period. As we reach the midpoint of that plan period, we have reviewed our progress and updated our impact targets accordingly. We continue to challenge ourselves to achieve more impact.

Where We Expect to Be in 2017

Reach We will directly benefit **450,000 people** – at least 40 percent of whom will be women – in a single year by 2017.

Economic Impact The farms, businesses and industries we work with will generate **\$325 million** in cumulative financial benefits directly attributable to our work between 2013 and 2017.

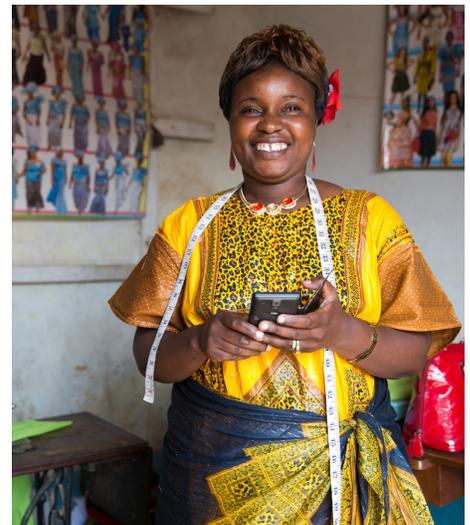
We celebrate the important progress we have made toward our ambitious goal. At the same time, the reality of poverty around the world and the experience we have in working with enterprising women and men provide the impetus for us to rededicate ourselves to achieving significantly greater impact.

Therefore, in the longer term beyond the five-year Strategic Plan, we aspire to be an organization that reaches 1 million people (including at least 400,000 women) in a single year. And we aspire for the farms, businesses and industries with which we work to generate \$100 million in financial benefits directly attributable to our work in a single year.

Critical Programmatic Progress

In pursuing the Strategic Plan, we have made progress in a number of important areas:

- **Gender** – When women control more household income and assets, there are greater benefits to the family. With women comprising 36 percent of our beneficiaries in 2014, we are proud that we have already surpassed our five-year target of 35 percent participation. Therefore, we have set a new, more ambitious goal. We intend that 40 percent of all TechnoServe beneficiaries will be women by 2017.
- **Focus Sectors** – We have continued to refine our approaches to improving the livelihoods of those engaged in specific sectors with the potential for significant impact: coffee, cocoa, cashew, and small and growing businesses (SGBs). For instance, the Coffee Initiative supported by the Bill & Melinda Gates Foundation, has been a major success. Building on the success of the initial intervention, in 2014 we reached more than 100,000 farmers and catalyzed nearly \$9 million in financial benefits through nine coffee projects in six countries across East Africa and Latin America.
- **Entrepreneurship** – We have refined our approaches to both farm-based and off-farm entrepreneurship programming and have empowered young people to become more commercially successful. Focusing on entrepreneurship has the potential to drive even higher levels of impact because, when successful, these entrepreneurs can create additional jobs in their communities.
- **Food Processing** – We have expanded our work to strengthen the food processing industry across sub-Saharan Africa. Food processing is a critical link in the agriculture value chain that helps create new markets for farmers and jobs in their communities, while improving food security by expanding the availability of nutritious foods.
- **Technology** – We have partnered with the private sector to develop innovative approaches for delivering digital information and financial services to smallholder farmers. Mobile technology presents one of the greatest opportunities for multiplier effects – significantly greater numbers of participants can be reached more efficiently while gaining access to a broad array of information, financial products and other resources.



Progress on Key Strategic Priorities

To support the innovative activities that are the key to increasing impact, TechnoServe has achieved success in the following areas:

- **Corporate Partnerships** – TechnoServe has successfully deepened and multiplied strategic partnerships with many of the world’s leading food and beverage companies. In 2014, we exceeded our annual goal for revenue from corporate partners by 45 percent and from public-private partnerships by 11 percent.
- **People** – We have a number of exciting initiatives both accomplished and underway to make TechnoServe a great place to work, including increasing the capacity of our Human Resources function and improving our talent management infrastructure. Our retention rate is currently 88 percent, well above our annual target of 80 percent, and our staff engagement index is at our target of 90 percent. Ninety-four percent of staff report they feel that TechnoServe is fulfilling its mission and achieving impact.
- **Capital Base** – We have surpassed our target for building a stronger capital base, affording us greater organizational financial security.



Reaffirming Our Core Strategy and Beliefs

Our experience in pursuing our ambitious impact targets has deepened our commitment to TechnoServe’s underlying strategy. Our assessment of our progress to date, and areas where we need to make even greater progress, has demonstrated that our strategy is sound and the core of our approach needs to remain the same. That means we still believe that:

- Developing capacity, strengthening market connections and improving the business environment is the best way to help our beneficiaries over the long term.
- Highly empowered country offices and programs are the way to secure, design, and deliver effective and efficient programs.
- A wide variety of donors is the best way to get our priorities funded, enabling us to put together coherent and effective country programs. Business solutions will be the driving force to ending poverty, and the private sector itself more and more agrees on this approach and is engaging with us.
- Measuring and understanding impact matters. Our strategy and our investment and management decisions must be driven by and organized around impact.

Keys to Success: Five Strategic Priorities

Our Strategic Plan focused on four key strategic priorities that would underpin the push for even greater impact by 2017. At the midpoint of the plan, we continue to believe that these priorities are the right ones but that we must push for greater improvements in each. We have also identified the need to focus in a more explicit way on finding ways to scale our work more aggressively. Scaling Impact is so important that we decided to separate it out into a fifth priority in this “refreshed” Strategic Plan.

Strategic Priority

1

Programmatic Excellence

Moving forward, we have decided to focus Programmatic Excellence on three key areas:

- Encouraging field-driven Program Manager capacity building and exchange;
- Improving operational compliance and efficiencies; and
- Improving overall monitoring and evaluation.

We will be engaging staff in finding ways to bring these three crucial success factors to life in our everyday operations. Not only do these factors ensure that our programs are of the highest quality and therefore delivering the greatest impact, but also that they are delivered as efficiently as possible.

Strategic Priority

2

Corporate and Public-Private Partnerships

We are on track to achieve our plan targets in this priority area, with these notable accomplishments:

- We have made excellent progress in attracting new corporate partners from the food and agriculture, extractive and financial sectors;
- We have successfully grown our existing corporate partnerships; and
- We have significantly strengthened our capacity to assist corporations committed to improving their sustainable impact.

We believe there is significant potential upside in scaling impact in our focus sectors through deepened and broadened corporate and public-private partnerships. To accomplish this, we will make additional financial investments in the infrastructure necessary to take full advantage of growing demand, and increase our experience in working with corporations pursuing sustainable development commitments that are aligned with improved business performance.

Strategic Priority

3

People

TechnoServe will continue to work to ensure that we can attract and retain the highest level of talent. As noted elsewhere, we have made strong progress, but can and will do more. Looking ahead, these will be our major areas of focus:

- We will continue to strengthen Human Resources functions in the field through formal training opportunities, one-on-one coaching, regional meetings and other methods;
- We will improve talent management across the staffing cycle, from onboarding and orientation through performance management and development;
- We will strengthen leadership and professional development, with a particular view to improving Country Director and controller retention; and
- We will reinforce the principles of our gender policy, making it a priority to promote organizational gender equality and achieve gender balance in the workforce across all countries and levels.

Strategic Priority

4

Capital Base

While TechnoServe's capital base is substantially improved from when we started the Plan, much of that improvement has come from one-off events. Over the next few years, we expect to see additional improvement based on efforts that are more strategic and systemic. For the remainder of the plan period:

- We will push hard to expand existing major gift program development efforts and direct marketing donor acquisition.
- We will refine our cost-recovery guidance, including examining how to more accurately capture the costs of supporting our grants and contracts.

Strategic Priority

5

Scaling Impact

We have determined that including scaling (i.e., reaching more people, with greater financial benefits) within one of the four original strategic priorities – Programmatic Excellence – was insufficient.

We are committed to significantly scaling the impact of TechnoServe programs around the world, and so this “refresh” of our strategy calls out Scaling Impact as a separate strategic priority. All TechnoServe activities must be driven by an underlying emphasis on continually increasing impact and efficiency.

By identifying, executing and proving the impact of effective intervention models, we can motivate others to invest in replicating and adapting those models elsewhere. And as we increase the reach of those models we can reduce the unit cost of the interventions, which will make them even more appealing to a broader range of stakeholders, thus further fueling scaling.

Here is how the Scaling priority will play out going forward:

- **Keep focused across TechnoServe.** We will drive scale by deepening our work in four focus sectors: coffee, cocoa, cashew, and small and growing businesses. We will challenge country platforms to actively pursue opportunities for scale within their country platforms, if not in these sectors, then ones that are equally promising in their context.

- **Identify barriers and pathways to scaling.** For each of the four focus sectors, we will analyze the factors that inhibit our ability to scale impact and develop pathways to achieving greater impact, whether through geographic expansion, new partnerships or better targeting of funders, among other options.
- **Build fundable investment cases.** We will allocate resources to develop investible concepts for scaling in each focus sector, so that we can mobilize additional resources and continue learning about how to scale more effectively across our whole portfolio.
- **Marketing.** We will pursue an organization-wide external engagement strategy to get concepts socialized and funded. A balanced approach will focus on the corporations, priority donors and other funders with whom we have strong relationships, while seeking to expand the range of possible funding sources.
- **Monitoring and Learning.** We will carefully track and measure the progress of each scaling initiative to determine which models can be replicated or adapted, which can be best achieved through direct execution versus market facilitation, and how revenue can be generated to support scaling from program partners and participants.

Conclusion

For almost 50 years, TechnoServe has been providing business solutions to poverty and has touched the lives of millions of people around the world. Our work provides hope for a new prosperity for enterprising women and men. And the impact we create is sustainable – the benefits continue long after our direct involvement has ended.

We are proud of the progress we have made, and yet we must do more. The plan we launched in 2013 has been a key focal point for driving the organization to achieve more impact than ever before. We will use our experience and learning to continuously improve our impact. The key to our long-term success is maintaining focus on our core strategies.

