

Report On

Will LightCastle Partners bring a positive change in the equity-based impact investment for the marginalized agro-entrepreneurs in the rural regions of Bangladesh?

By

Auitry Rutaba Islam
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An internship report submitted to the Brac Business School in partial fulfillment of the requirements for the degree of Bachelor of Business Administration

Brac Business School
Brac University
June 2022

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material that has been accepted or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

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Letter of Transmittal

Professor Sang H. Lee, Ph.D.

Dean,

Brac Business School

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66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report

Dear Sir,

I am submitting my internship report which is based on “Will LightCastle Partners bring a positive change in the equity-based impact investment for the marginalized agro-entrepreneurs in the rural regions of Bangladesh?”. Working at LightCastle Partners in the Ecosystem and Investment team as an intern was a remarkable journey. I was under the supervision and guidance of Mr. Omar Farhan Khan, Senior Business Consultant. By doing this internship, I learned a great deal about academic as well as practical knowledge of the corporate world. I learned about how the SMEs of Bangladesh largely contribute to the GDP of Bangladesh. I even got the chance to meet and communicate with several investors who invest in these SMEs to help them advance further.

I shall be forever grateful if you would receive this report and provide your valuable insight. I believe that my report will meet the standards set.

Sincerely yours,

Auitry Rutaba Islam

18104004

Brac Business School

Brac University

Date: June 5, 2022

Non-Disclosure Agreement

This agreement is made and entered into by and between LightCastle Partners and Auitry Rutaba Islam, the undersigned student at BRAC University. I hereby state that this internship report is prepared and submitted by me. Specific references have been made in order to avoid plagiarized content.

Acknowledgment

My indefinite gratefulness goes toward the Almighty for giving me the dedication and energy to finish this report within the submission time. I would also thank my parents for providing me with their unconditional support all throughout.

I thank tremendously Professor Sang H. Lee, Ph.D., Dean of Brac Business School, Brac University, and Dr. Mujibul Haque, Associate Dean, Brac Business School, Brac University, for their wholehearted guidance and direction during this internship program. And also, to Ms. Tahira Tabassum, Teaching Assistant to Dean, for her continued support.

I am very grateful to Mr. Omar Farhan Khan, the Senior Business Consultant at LightCastle Partners. He was my supervisor during my internship period. It would have been very difficult to prepare this report without his direction.

Lastly, everyone from my team at LightCastle Partners deserves my thankfulness; the seniors, and colleagues, who also became good friends of mine for their continued support and motivation.

Executive Summary

This study on the topic **“Will LightCastle Partners bring a positive change in the equity-based impact investment for the marginalized agro-entrepreneurs in the rural regions of Bangladesh?”** is an independent report. The study was conducted from January 2022 to April 2022 with the top 5 SMEs who were selected from the agro-industry to participate in this pilot project by Oxfam. Here, the SMEs were selected based on a number of surveys that were conducted to obtain their current level of knowledge on how to run a business. After which, investment readiness training programs were arranged for them, and based on their performance, they received the disbursement in March 2022. Since this is a pilot project by Oxfam, the sample number was thus one of its requirements. SMEs contribute 23% of the GDP, and hence, this report is a means to portray that if SMEs acquire support through consultancy services, the probability of an increase in their business performance is high.

Table of Contents

Declaration	ii
Letter of Transmittal	iii
Non-Disclosure Agreement	v
Acknowledgment	vi
Executive Summary	viii
Table of Contents	viii
List of Figures	ix
List of Acronyms	x
Chapter 1 Overview of the Internship	1
1.1 Student Information	1
1.2 Internship Information	1
1.3 Internship Outcomes	2
Chapter 2 Organization Part	5
2.1 Introduction.....	5
2.2 Overview of the Company	5
2.3 Management Practices	10
2.4 Marketing Practices	12
2.5 Financial Performance and Accounting Practices	12
2.6 Operations Management and Information System Practices	13
2.7 Industry and Competitive Analysis.....	13

Chapter 3 Project Part	15
3.1 Introduction	15
3.2 Methodology	17
3.3 Findings and Analysis.....	17
3.4 Summary and Conclusions	40
3.5 Recommendations/Implications.....	41
3.6 References.....	42
3.7 Annex.....	44

List of Figures

Figure 1. Management Consulting unit’s Business Data Pie Model	7
Figure 2. Accelerator Management Model	8
Figure 3. Digital Transformation unit’s 3 Focus Areas	8
Figure 4. Market Entry Strategy Framework.....	9
Figure 5. Impact Investment Knowledge.....	19
Figure 6. Agri-machineries Knowledge.....	20
Figure 7. Financial Record Survey	21
Figure 8. Record of Direct Cost Survey.....	21
Figure 9. Record of Indirect Cost Survey	22
Figure 10. Marketing Knowledge.....	23
Figure 11. Business Management Knowledge.....	24
Figure 12. Digital Literacy.....	25
Figure 13. Financial History average of last 3 years	26
Figure 14. Gens Lens	27
Figure 15. Needs Assessment Questionnaire.....	29
Figure 16. Annual Financial History 2021	30
Figure 17. Investment Ask.....	31
Figure 18. Investment Score	31
Figure 19. Annual Financial History 2021	33
Figure 20. Investment Ask.....	33
Figure 21. Investment Score	33
Figure 22. Annual Financial History 2021	35
Figure 23. Investment Ask.....	35
Figure 24. Investment Score	35

Figure 25. Annual Financial History 2021	37
Figure 26. Investment Ask.....	37
Figure 27. Investment Ask.....	37
Figure 28. Annual Financial History 2021	39
Figure 29. Investment Ask.....	39
Figure 30. Investment Score	39

List of Acronyms

LCP	LightCastle Partners
SME	Small and medium-sized enterprises
GDP	Gross Domestic Product
BBA	Bachelor of Business Administration

Chapter 1

Overview of Internship

1.1 Student Information: Name, ID, Program, and Major/Specialization

I am Auitry Rutaba Islam, a double major student and my ID is 18104004. I enrolled in the program of Bachelor of Business Administration, and my specialization is in Finance & Accounting.

1.2 Internship Information

1.2.1 Period, Company Name, Department/Division, Address

The internship period is 4-months long. I started the internship in January 2022 and it ended on April 30th 2022. The company name is LightCastle Partners. I was selected for the Ecosystem and Investment Department. The office is located at Niketan. Its full address is; Level-5, House-10/12, Road 1, Block-B, Niketan Gulshan-1, Dhaka-1212.

1.2.2 Internship Company Supervisor's Information: Name and Position

My supervisor at LightCastle Partners was Omar Farhan Khan and he currently holds the position of a Senior Business Consultant.

1.2.3 Job Scope – Job Description/Duties/Responsibilities

My main responsibilities included assisting the Business Analysts of my team. Scheduling meetings, going for field visits in the rural regions of Bangladesh to gain first-hand experience on how to supervise ongoing projects are some of the activities I did. I have learned how to arrange and coordinate training sessions/workshops with partnered organizations. I was taught how to create Project Charters and Trackers on

Google Spreadsheet to keep the projects in track. I interviewed rural entrepreneurs and as well city-based SMEs according to questionnaires that I prepared based on the projects at hand. I also worked as a content writer for Entrepreneurs of Bangladesh, a platform by LightCastle Partners where we interview the rural entrepreneurs of our ongoing projects. We publish their story on this site to generate marketing opportunities for them. Over the years, we started receiving funds from angel investors as well.

1.3 Internship Outcomes

1.3.1 Student's contribution to the company

LightCastle Partners actively looks for young, budding minds with contemporary and innovative perspectives to change the world for the better. My contribution to the company depended on the projects that I got assigned. For the project TFO Canada; I helped coordinate and manage training sessions for over 30 participants and was in charge of all the documents/files submitted by these participants. For the project Meta; I assisted in participants' confirmation to attend the Meta; #SheMeansBusiness training, as well as overseeing the launch of the event, which took place on March 29th. For other projects, I contribute to preparing PowerPoint decks, and Google Spreadsheets for keeping track, scheduling meetings, proofreading, as well as working as a copywriter. I even went for field visits outside of Dhaka to attend meetings between our firm and The Embassy of Switzerland as a portrayal of gender inclusivity in fieldwork by LightCastle Partners.

1.3.2 Benefits to the student

I strongly believe that LightCastle Partners not only has a lot to offer to the senior level managers but also to the entry-level youth who are looking to start their careers in consultancy and/or project management. From learning how to conduct meetings with

prominent clients to single-handedly coordinating workshops, and solely being in charge of paperwork and accumulating documents/files for further evaluation, I know LCP immensely helped in building up time management skills, skills to solve problems via critical thinking, enhancing my leadership roles, and significantly improving my communication skills to the external parties as well internal. Because LCP is currently operating in a hybrid system, i.e., working from home as well as in-person office, I have learned how to coordinate with respective team members online, as efficiently as I can. Managing time was an area of improvement for me and I am glad that I have gotten immensely better at it. I have also acquired exposure to the rural area of Bangladesh by having to travel outside of Dhaka for field visits.

1.3.3 Problems/Difficulties (faced during the internship period)

The problem I faced during my internship is a lack of communication with the rest of the company's departments. Because our work policy was changed to the hybrid system, which was working from home, and as well as in-person office, I think I did not get much exposure to the different departments at LCP and its members. This way, I know I lacked in making the numerous connections that I could have made if work was full-time at the office. Another difficulty I faced was that there were only two interns for the first 3 months of my internship, and I got overwhelmed with the work pressure. I had to work overtime countless days and even nights to ensure I met the deadlines.

1.3.4 Recommendations (to the company on future internships)

I would strongly recommend to the firm to start office full-time every day. In this way, every employee will get to make the connections that they look forward to in their

careers. Not only would we learn about the company on a greater scale, but also acquire knowledge and insight on all projects that the firm is currently taking part in, as well as an in-depth experience of the company culture, its environment, as well as in building connections with the exceptional and overly talented members at LCP.

Chapter 2

Organization Part

2.1 Introduction

LightCastle Partners is a management consultancy firm. Their approach to creating windows of scope and opportunities is by taking a data-oriented stance to generate growth and a positive impact on the economy as a whole. They consult and collaborate with partners in both the public sector as well as the private, and also with development partners to encourage further economic advancement which would have the full potential to refine and improve the lives of people in our country on a large scale. LightCastle's goal is to accelerate sustainable and inclusive growth.

2.1 Overview of the Company

LightCastle Partners ideates a knowledge and data-driven economy that would eventually inspire and motivate uncountable businesses which in turn would help alter and elevate the lives of the people of this country. The firm started its journey back in 2013 with a simple expectation; to stimulate businesses in our country to boost the economy. Since then, LightCastle has been involved with consulting over 150+ partners in the development sector and the private sector, it collaborated with more than 500+ SMEs and startups, generated over 50 million in USD on investments, and was the pillar of 40+ incubator programs all across Bangladesh. Across 30+ industries in Bangladesh, LightCastle is engaged in hosting the largest market and industry datasets. They have initiated multiple in-house projects such as DataBD, Entrepreneurs of Bangladesh, LightCastle Impact. They work in the realm of data entrepreneurial ecosystem, skills development, and data democratization.

2.2.1 Values that LightCastle Partners uphold

LightCastle Partners strongly upholds its values and strives to abide by them by all means necessary. One of the most vital factors is that all members at LightCastle share the same values as the firm. The three values that motivate LightCastle are; Simplify; Integrity; and Data-driven. Simplify refers to keeping all things simple. Ensuring that all mode of communication is done simply and to the point, without making any work-related topic sound too complicated. Communicating in a way that reaches everyone at all levels of the hierarchy. Make certain that the approach to working efficiently and effectively is kept simple as well. Integrity; here, LightCastle expects that every one of its members is open and transparent with their teams and that everyone is accountable for their actions as well as has strong ethical thoughts and actions of their own. Lastly, Data-driven; here, LightCastle tries to portray that every decision taken should be based on datasets and information that strongly corroborates it.

2.2.2 Services

LightCastle Partners the following services:

1. **Management Consulting:** To provide a unique and sustainable solution to its clientele, LightCastle takes the approach of amalgamating detailed customer insights, the dynamic of the value chain, and macroeconomic indicators, actuated by extensive partnerships with market-leading professionals, contemporary innovators, and policy-makers. By providing large-scale research, consulting, project management, strategy, and policy analysis, along with technical assistance by conducting a thorough market assessment to the multilateral/bi-lateral development partners, the corporate sector, private sector, as well as the NGOs, the firm aims to bring value to its clientele by

turning intuition into actionable imperatives. Our approach to consulting is following our 360-degree data-driven management framework.

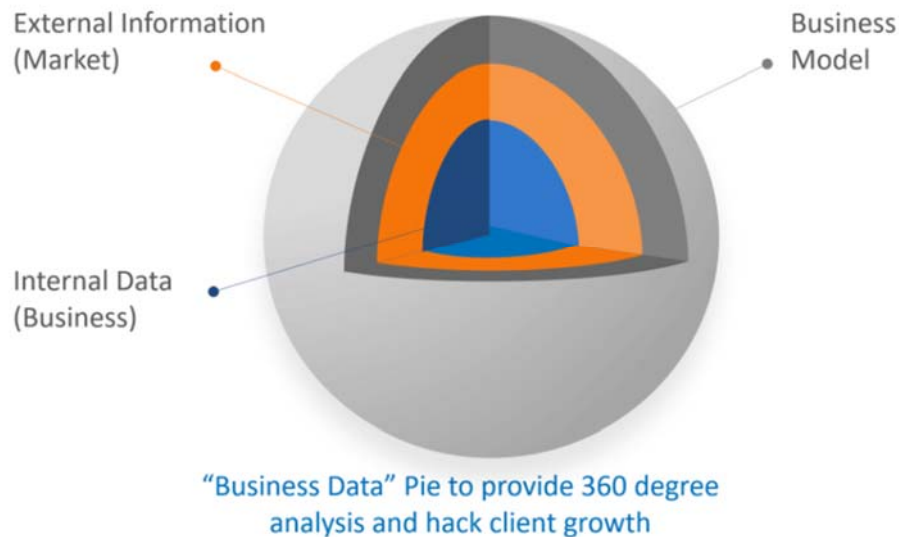


Figure 1. Management Consulting unit’s Business Data Pie Model

2. Ecosystem & Investments: Here, our focus is on Accelerator and Incubator Management, Investment Advisory, Blended Finance, Catalytic Funding, and Advanced Learning Centre. This Department works closely with the government to advance an empowering investment environment in the country. This team is also involved in conducting buy-side advisory for million-dollar international, local private, and public funds in impact investing, private equity, and venture capital. The team single-handedly manages one of the country's largest incubator/accelerator networks. To date, the team has conducted over 30+ boot camps, and over 40+ incubator programs mobilizing with over USD 50+ million investments. Implementation of these programs has reached over 5000+ entrepreneurs.

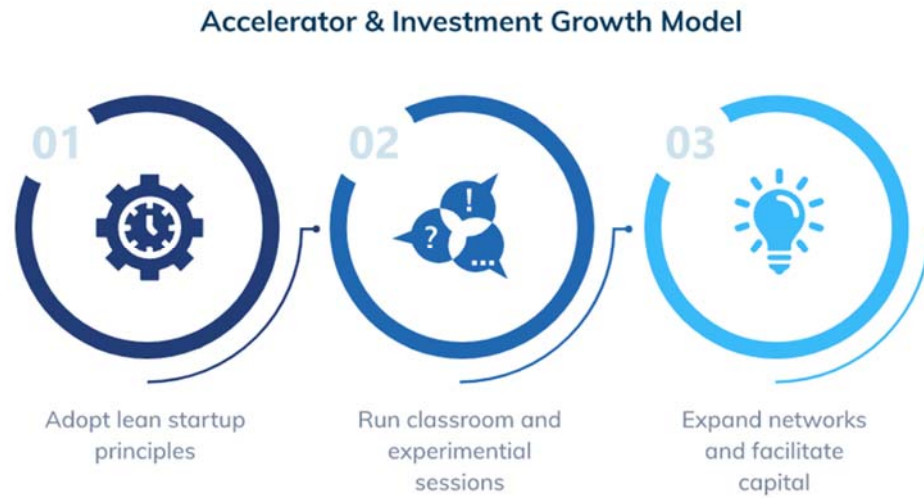


Figure 2. Accelerator Management Model

3. Digital Transformation: This team concentrates on data science, technology, design, and business. A combination of these factors helps shape and build organizations in a more data-oriented fashion. By fostering robust data and value chain analytics, this team is furthering LightCastle in enhancing impact and income. Intersecting digitization, visualization, and data analytics, bigger and better growth opportunities are presented that help implement technology-based solutions for our clients.



Figure 3. Digital Transformation unit's 3 Focus Areas

4. Market Entry Strategy and Support Services: Predominantly involved with aiding foreign direct investment. The team has helped secure several international investors as they see Bangladesh as full of opportunities. Thanks to the government’s involvement in creating investment-friendly policies, LightCastle’s goal is to ensure sound investment decisions are further facilitated. This team progresses to secure international footprints in new local segments. Once we secure an investor, we further help with market entry support services via ecosystem partners.



Figure 4. Market Entry Strategy Framework

2.2.3 Industries

LightCastle Partners was (and still is) fortunate enough to have worked with over 30+ industries all across Bangladesh. Some of the industries where the firm has had the most exposure are the following: Agro and Agro-processing, Construction and Real Estate, Consumer Products, Digital Services, and ICT, E-commerce and Tech, Financial Services, Pharmaceuticals and Healthcare, Power and Energy, RMG, Textile and Footwear, Water, Sanitation and Hygiene, and many others.

2.2.4 Key Partners & Clients

Over the last 9 years, LightCastle Partners has developed several key partners with well-known organizations with the hopes to add greater value to its clientele. Some of the key partners include Larive International, Syngenta Foundation for Sustainable Agriculture, The Legal Circle, Velocity Asia, and KPMG.

Now, the list of LightCastle's clientele is endless. From the public sector, the clients include Aspire to innovate (a2i), ICT Division, Bangladesh, and Startup Bangladesh Limited. In the Development & Impact sector, some of the clients include; BRAC, BRAC University, Bill & Melinda Gates Foundation, SwissContact, UNDP, ILO, WFP, The Embassy of Switzerland, OXFAM, iDE, ACDI/VOCA, UN Women, TFO Canada, UKaid, Vei, WorldFish, and several others. From private organizations, ACI Limited, Robi, Aarong, Rahimafrooz, Telenor, PRAN, Paperfly, and Banglalink, are some of the clients of LightCastle. From financial institutions and international consulting firms, clients are HSBC, truvalu, PLC, Ricardo, Boston Consulting Group (BCG), PWC, and Roots of Impact.

2.3 Management Practices

2.3.1 Leadership Style

Here, the leadership style is democratic, also known as participative or shared leadership. The members play a major role in the decision-making process. Since the majority of the work is project-based, LightCastle provided its members the freedom to complete their work at their convenient times. This means, if a work that is assigned to you is set with a deadline of 2 weeks, you may take the whole 2 weeks' time to complete

it or you may take 2 days to complete it. The one thing that needs to be certain is that the work is done within the deadlines. This is one of the few things that LightCastle strictly maintains; ensuring deadlines are met. Starting from the position of a Trainee Consultant to the position of a Senior Business Consultant and Project Manager, every member has a right to speak and pool their ideas for better outcomes.

2.3.2 Recruitment Process

The recruitment process is very simple. There are 3 levels that applicants need to pass to secure the vacancy position at LightCastle. The first is a case study round. The second round is an interview with the management team, and the final round is another interview but with the CEO, Managing Director, Senior Business Consultants & Project Managers.

2.3.3 Compensation System

Apart from the direct monetary benefits at the end of each month, other methods of compensation include; bonuses during special festivals, gift-giving to all senior-level managers for New Year, taking care of all expenses incurred for work trips or field visits; this includes food, accommodation, travel costs as well. Arranging dinner plans for any celebratory project completion, inviting the whole LightCastle Team for sponsorship, or partnership deal dinners.

2.3.4 Training and Development Activities

My current position at LightCastle is as a Trainee Consultant. My offer letter stated that after this Trainee Consultancy period was over, based on my performance and learning, I would get an opportunity to accept a full-time position as a Business Analyst. So, in these 4 months, I am being prepared to become a Business Analyst, whose job is to manage and lead projects, conduct workshops outside of Dhaka, and also field visits, all by themselves. Apart from this, the newest recruits are taken to client or partnership meetings to get first-hand experience on how to conduct and approach these meetings.

2.3.5 Performance Appraisal System

Everyone at LightCastle constantly strives to get better at their job. Here, constructive feedback is given every other day. After every new task, based on one's performance, feedback will be provided. Communication is done in a way to ensure employee productivity increases after the feedback is provided. Because the work culture maintains strong ethics as well, I think that every member feels the need to work towards the betterment of the firm, even if it means working overtime at times.

2.4 Marketing Practices

LightCastle Partners relies heavily on social media marketing. All the webinars, training sessions, or workshops conducted are portrayed and marketed to a great extent. The four major social media platforms where we conduct our marketing practices include; Twitter, Facebook, LinkedIn, and Instagram. Apart from this, LightCastle's website includes a 'News' section where every activity of LightCastle gets featured. Starting from hosting events, conducting workshops, providing case studies, hosting webinars, or securing partnerships. The online platform 'Entrepreneurs of Bangladesh' features the unheard stories of the numerous rural entrepreneurs sharing their life struggles and successes in starting their businesses. This boosted LightCastle's name to a great extent as well.

Presently, LightCastle Partners has over 14 thousand followers on Facebook, 11 thousand followers on LinkedIn, and 375+ followers on Twitter.

2.5 Financial Performance and Accounting Practices

LightCastle Partners is a privately operated management consulting firm. Therefore, all forms of financial statements and annual reports are highly confidential to the public eye. As for accounting practices, an accrual basis accounting method is followed where transactions are immediately recognized and recorded as they occur. Straight-line depreciation is followed at LightCastle Partners. The Accounts team duly follows and maintains all the steps in the Accounting Cycle as well.

2.6 Operations Management and Information System Practices

At LightCastle Partners, all work must be completed with the highest level of efficiency so that members can move on to newer projects and learn the newer aspects of this job, gain the latest insights and acquire knowledge from brand-new perspectives. Since the work here is project-based, the same standards are maintained throughout. Data analysis and findings are also similarly done for all projects. Creating bar charts to pie charts, spider diagrams, histograms, et cetera, to provide a vivid portrayal of data findings. Data is usually collected via Google form questionnaire, and in-person interviews made during the numerous field visits. To improve efficiency, we provide forms in pen and paper, and digitize them by ourselves, when dealing with projects where the rural population is involved. After the accumulation of data, Project Charters and Trackers are created to ensure everything is kept in check and up-to-date at all times for all the members. These are created in Google Spreadsheet and kept in folders in Google Drive 'LightCastle Shared Drive' where all projects, ongoing or completed, are kept. These folders contain every single file, document, and questionnaire that was created to complete these said projects.

2.7 Industry and Competitive Analysis

Porter's Five Forces Analysis of LightCastle Partners

1. Threat of New Entrants: Barriers to entry into the consulting sector are relatively high. It is fairly difficult to achieve economies of scale in this industry, and capital requirements that need to be set up are also high, for instance, research and development costs are high. Costs of human resource management, and acquiring loyal employees are also difficult.

2. Bargaining Supplier Power: There is no supplier in the consultancy industry, so there is no bargaining supplier power.

3. Bargaining Buyer Power: Here, the buyer would refer to the clients. And so, the power of the clients is high. Consulting firms need to assess, evaluate, conduct surveys and interviews, and do everything as required by the clients and meet the clients' demands accordingly.

4. Threat of Substitutes: The threat of substitutes is fairly low since there is rarely a substitute to having firms that solely work on providing management consultancy.

5. Intensity of Competitive Rivalry: In this industry here in Bangladesh, the competitive rivalry is high. There already exist several well-known consulting firms. And because LightCastle Partners was founded in 2013, it is still relatively very new in the market as compared to other consulting firms. However, over the last decade, LCP found success in acquiring some of the most renowned key partners and also clients. It has effectively made a noteworthy and reputable name in the industry. Although the rivalry is high, LCP earned its competitive edge as well.

Chapter 3

Project Part

Will LightCastle Partners bring a positive change in the equity-based impact investment for the marginalized agro-entrepreneurs in the rural regions of Bangladesh?

3.1 Introduction

Oxfam is an international, British-founded NGO that concentrates on the eradication of the injustice of global poverty. The main purpose of Oxfam is to tackle inequality by working together, to rebuild and protect lives across every corner of the world to ensure people enjoy their rights as full citizens and are free to make their own choices. Last year, in 2021, Oxfam launched a project titled, “Building Oxfam’s Footprint in Bangladesh Entrepreneur Ecosystem.”, and LightCastle Partners was chosen as the consulting firm to take up this initiative and work alongside the partners of this project.

3.1.1 Background

This specific project aims to expand its footprint in the ecosystem of Bangladesh by creating space for boosting capacity, ensuring access to investments, key networks, connections with market players with potential entrepreneurs within REECALL’s (Resilience through Economic Empowerment, Climate Adaptation, Leadership, and Learning), one of Oxfam’s programs, CBO (Community-based Organization) network. This initiative will also consider the budding entrepreneurs willing to work with the CBO networks by engaging CBO members as customers. Thus, this smart initiative will allow Oxfam in Bangladesh to increase its reach and create a big impact on entrepreneur platforms across industries, drawing relevant stakeholders for networking and investment support. Since the overall aim is to uplift the marginalized entrepreneurship ecosystem in Bangladesh, this is where the term “impact investment” comes

into play. Impact investment is when capital is allocated in a way to achieve blended social and financial returns, i.e., expecting financial returns while also ensuring a positive, measurable social impact in society.

3.1.2 Objective

The objective of this report is to find out whether LightCastle Partners can bring about positive impacts and inclusive growth by equity-based impact investment for the marginalized agro-entrepreneurs in the rural regions. After careful planning and thorough decision-making, LightCastle Partners decided that capital of 1 lac would be provided to the agro-entrepreneurs in the form of cattle, but not cash. This is because, the agro-entrepreneurs when provided with cash in hand, tend to either spend it on other causes or keep the money idle. Therefore, we have decided to provide 1 lac worth of cattle (be it 2 or more cattle worth 1 lac, or 1 cattle worth 1 lac) to the agro-entrepreneurs. The idea is to provide them the cattle for 1 year, and within this period, they will strive to make a profit out of these cattle. After this 1 year, they will pay back LightCastle the principal amount, which is 1 lac, as well as 1/3rd of what they profit from this cattle business. This is what equity-based impact investment means. Acquiring financial returns out of a social cause would help enrich the economy and its people as a whole. LightCastle will also be conducting training sessions and activities to select who these agro-entrepreneurs will be to receive this 1lac worth of capital. Certain criteria and requirements need to be met to be selected for this project's goal.

3.1.3 Significance

The overall significance of this project is to increase the reach and impact of entrepreneur platforms across the industry to bring relevant stakeholders for networking and investment support, to ensure a more sustainable and inclusive economic development for the country.

3.2 Methodology

Oxfam's project, "Building Oxfam's Footprint in Bangladesh Entrepreneur Ecosystem.", is an ongoing project of LightCastle Partners. Therefore, to prepare this report, the following techniques and methods have been used; collecting secondary data through websites, articles, and news portals to retrieve relevant data and information. Relevant datasets and primary information collected from the surveys, findings, and analysis conducted by LightCastle have also been used as the primary source. Surveys were done through one-to-one conversations over the phone with the SME owners. Both open and closed-ended questions were designed for this process. It is to be noted that this project of Oxfam, in collaboration with LightCastle Partners, is a pilot project which is still in progress and as per Oxfam's requirement, only 5 SMEs in the agro-industry were selected. Therefore, the following are the findings and analyses that have been conducted so far. Moreover, the impact of this pilot project, if achieved, can only be observed after at least 6 months have passed. Presently, only 1.5 have passed since the project's execution.

3.3 Findings & Analysis

As a part of the project, the impact assessment was conducted to capture data about how the implementation of the project has influenced the business practices of the targeted agro-entrepreneurs. The results of the assessment are aimed at improving the understanding of the challenges and constraints faced by the selected entrepreneurs and how these interventions can help overcome them. The impact assessment is conducted across 4 impact metrics- Business knowledge, finance, business model, and gender lens.

Based on these results, LightCastle received a preliminary idea and understanding of how much knowledge the selected agro-entrepreneurs actually have with regards to conducting their

businesses. Afterwards, investment readiness training programs were conducted for a further evaluation to measure their knowledge before and after the trainings, and finally, in March 2022, the selected 5 SMEs received their disbursement. As mentioned previously, this project is still ongoing, henceforth no additional data can be provided on these SMEs. Therefore, to fully understand the impact of this investment, LightCastle Partners will do regular follow ups when at least 6 months have passed after the disbursement, which will be sometime in September 2022.

However, in this report, I have tried, to my full potential, to portray all 5 SMEs' current financial records, their financial history for the year 2021, their investment ask, and investment score as case studies. All sources, figures, data analysis and findings used in this report have been taken directly from documents/files that my team at LCP and I have accumulated. This is done to understand their current stance and credibility, so that LCP can formulate further and advanced activities to improve their business practices.

3.3.1 Data Analysis

The analysis below represents the measurement of the impact indicators before the start of the intervention activities. The survey was conducted among the 5 finalists from the demo day to select the agro-entrepreneurs. This specific survey was done to test the business knowledge of the agro-entrepreneurs. The impact of this survey was found after further evaluation obtained through the investment readiness training programs. All the participants were from the Kaunia region of Rangpur and the respondents were female.

1. Business Knowledge

1.1 Impact Investment

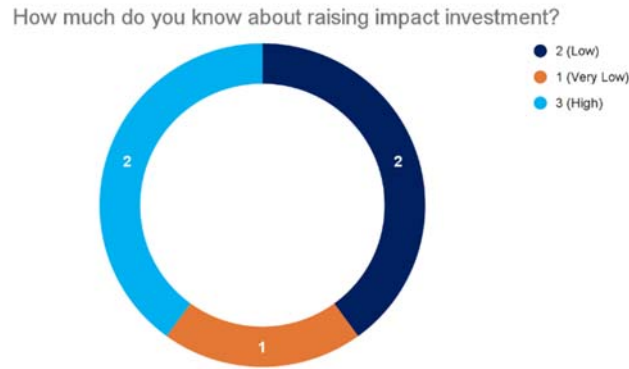


Figure 5. Impact Investment Knowledge

40% of the respondents reported that they have a high understanding of impact investing. In contrast, 40% reported that their understanding is low, and the remaining 20% responded that they had little to no knowledge about what impact investing is.

Conclusion: Understanding whether the agro-entrepreneurs had any idea what impact investment was, was a vital information for this project. It was important that these people comprehend the intensity of this project in order to improve and advance their business performance. The one-to-one interviews conducted showed that the female entrepreneurs lacked the understanding of how important their contribution proved to be in boosting the country's economy.

1.2 Agri-machineries

Teaching the entrepreneurs about the usage of agri-machineries for their agricultural production was one of the prime objectives of the training activities conducted among the participants of the Rangpur region. From the survey conducted among the top 5 finalists, 2 of

the entrepreneurs said that they have a good understanding of the usage of agri-machineries while 2 of them said they are aware of but have little knowledge about their usage. On the other hand, 1 of the respondents stated that they know very little about these kinds of machinery.

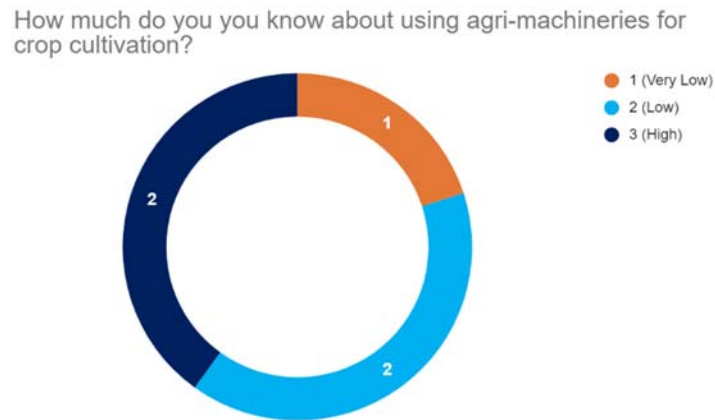


Figure 6. Agri-machineries Knowledge

Conclusion: Lack of knowledge on how to use agro-machineries was one prime obstacle that the female entrepreneurs face. It was important to find out their knowledge on this in order to proceed with the further training activities where we taught more on the importance of the agri-machineries.

1.3 Financial Management

To assess their proficiency in financial management we inquired about three aspects of their business finances- frequency of updating the financial records, proficiency in keeping records of the direct costs, and proficiency in keeping records of the indirect costs.

Frequency of updating financial records:



Figure 7. Financial Record Survey

One of the respondents said that she is comparatively more updated about maintaining their financial records than others. Three of them said they update their records regularly while one of them reported that she is very infrequent about updating her records.

Proficiency in keeping records of the direct costs:

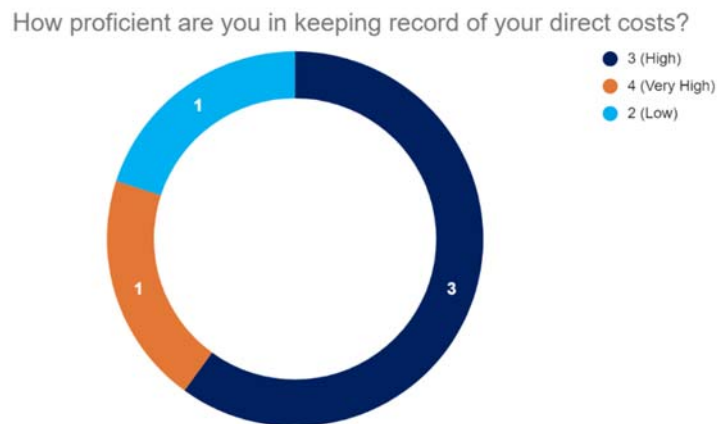


Figure 8. Record of Direct Cost Survey

In this case, those who reported that they are very frequent about updating their financial records, have more knowledge about direct costs than the rest. As such, 1 of the respondents said that she has very high proficiency, 3 respondents said that they have high proficiency and 1 said she has comparatively less knowledge on this topic.

Proficiency in keeping records of the indirect costs:



Figure 9. Record of Indirect Cost Survey

The responses were identical to the responses about the direct costs.

Conclusion: Keeping track of finances is an integral part of any business. Overall, the study on proficiency in keeping track of financial records, as well as keeping records of both direct and indirect costs were somewhat positive. The female entrepreneurs stated in their interviews that over time, they became more proficient at it.

1.4 Marketing

Overall, the understanding of marketing strategies for their businesses is very low among the 5 finalists. Only two of them attested that they have their strategy in place for marketing their products and services. But the rest of them do not have sufficient knowledge in this regard.



Figure 10. Marketing Knowledge

Conclusion: This portrayed how marketing practices are the least of concerns for the entrepreneurs, and hence, the marketing aspect was one of the many issues that were heavily focused on during the training activities.

1.5 Business Management

All of them responded affirmatively when it comes to their knowledge of business management. They are confident that they are capable of managing their businesses to generate satisfactory revenue.



Figure 11. Business Management Knowledge

1.6 Business Model Canvas

Only 2 of the participants reported that they were aware of the Business Model Canvas and its application in business. However, the rest of them were not familiar with this concept.

1.7 Digital Literacy

Digital literacy is a crucial aspect of business knowledge for SMEs. When it comes to agricultural businesses, we must bring these entrepreneurs on the digital platforms. To understand the level of the digital literacy of these entrepreneurs we measured their proficiency in using smartphones, usage of mobile applications, and the internet. Interestingly, we observed that, except for one, all the respondents attested that they do not have much exposure to digital platforms and smartphones.

How proficient are you in using smartphone? (Mobile Apps, Internet)

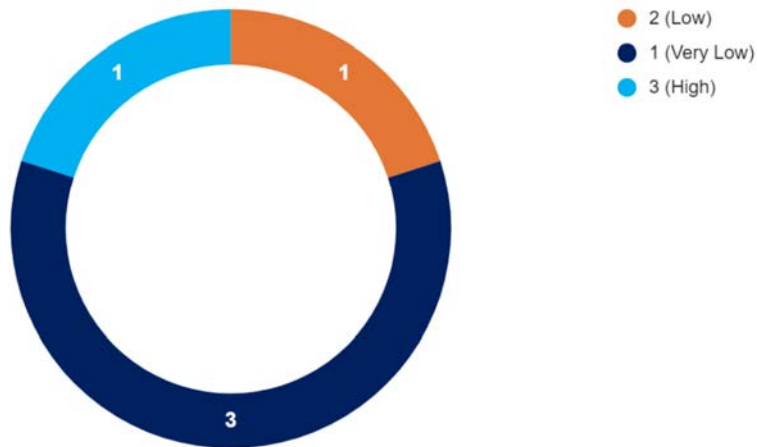


Figure 12. Digital Literacy

Conclusion: Similar to marketing practices, digital literacy was low. Hence, this was another area we focused on during our training and emphasized its importance to a great extent.

2. Finance

Our survey collected data about the yearly revenue, yearly fixed cost, and yearly variable cost. From the graph below, we can see that there is a good balance between these three values of each of the businesses. In addition, we have also captured the total asset value of the businesses. Based on these data, it was concluded that they are best suited to receive impact investment in the form of patient capital. This would help them maximize the utilization of their capital.

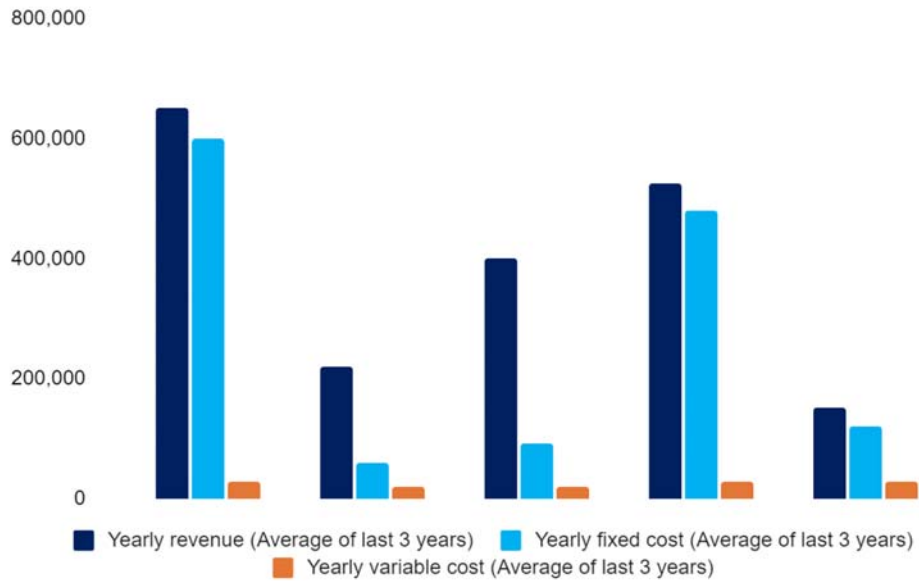


Figure 13. Financial History average of last 3 years

3. Business Model

To understand their business models, we analyzed five key aspects of the businesses. These are their total number of customers, their total number of staff members, their existing marketing strategies, and the marketing activities that they are involved in.

From the survey, we found that these entrepreneurs have at least 4 customers on average but no employees of their own. Moreover, none of them have any marketing strategy in place and therefore, no marketing activities are implemented either. However, two of the participants mentioned selling milk to the customers and selling to wholesalers as a part of their marketing activity which is a clear indication of the fact that they are not aware of what marketing activities refer to.

4. Gender Lens

To measure the degree of gender inclusivity of these businesses from a holistic approach, our survey probed to find out if the business is female-led itself, the percentage of the total number of customers that are female, whether they have any female-friendly policy incorporated into their business and what percentage of their total staff is female.

Since none of these businesses employ any staff members, they do not have any female-friendly policy formulated either.

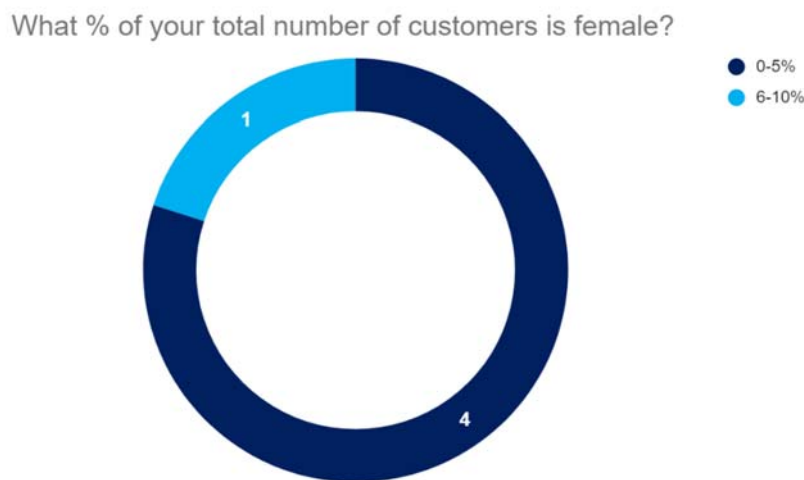


Figure 14. Gens Lens

Conclusion: It was found that all of these businesses are under the ownership of female entrepreneurs. However, in terms of customer base, 4 out of the 5 businesses have 0-5% of the total customers they cater to that are female. And the remaining business has 6-10% female customers.

The information obtained above was the result of the survey we conducted. This survey is called the Needs Assessment, and through this we try to obtain a preliminary understanding of how much knowledge the selected entrepreneurs currently have, so we can prepare the training activities accordingly.

Below is the picture of this questionnaire prepared by my team and I, who were directly involved in this impact investment project.

	Key Metrics	#	Question	Type of Question	Elaborate
Basic Information	Entrepreneur's Information	1	Name	Open ended	
		2	Mobile no.	Open ended	
		3	Age	Open ended	
		4	Highest level of education	Open ended	
		5	Have you received any training about conducting business before? If yes, please share the details	Check Box	-Yes -No
	Enterprise Information	6	Name of the enterprise	Open ended	
		7	Sector	MCQ	-Chilli -Corn -Dairy -Others
		8	What kind of business documentation do you have? (check all that apply)	MCQ	-TIN -BIN -VAT -Trade License -Others -N/A
		9	How much do you know about raising impact investment?	Likert Scale	1-Very Low 2-Low 3-High 4-Very High
		10	How much do you know about using agri-machineries for crop cultivation?	Likert Scale	1-Very Low 2-Low 3-High 4-Very High
		11	How frequently do you update your financial records?	Likert Scale	1-Very Low 2-Low 3-High 4-Very High
Short-term Assessment	Business Knowledge	12	How proficient are you in keeping record of your direct costs?	Likert Scale	1-Very Low 2-Low 3-High 4-Very High
		13	How proficient are you in keeping record of your indirect costs?	Likert Scale	1-Very Low 2-Low 3-High 4-Very High
		14	How proficient are you in marketing your products/ services?	Likert Scale	1-Very Low 2-Low 3-High 4-Very High
		15	How proficient are you in overall business management?	Likert Scale	1-Very Low 2-Low 3-High 4-Very High
		16	How much do you know about BMC?	Likert Scale	1-Very Low 2-Low 3-High 4-Very High
		17	How proficient are you in using smartphone? (Mobile Apps, Internet)	Likert Scale	1-Very Low 2-Low 3-High 4-Very High
		18	How proficient are you in negotiating with customers?	Likert Scale	1-Very Low 2-Low 3-High 4-Very High
			19	What is your yearly revenue? (Average of last 3 years)	Open-ended
		20	What is your yearly fixed cost? (Average of last 3 years)	Open-ended	

Long-term Assessment	Finance	21	What is your yearly variable cost? (Average of last 3 years)	Open-ended	
		22	What is your last year's accounts receivable?	Open-ended	
		23	What is your last year's accounts payable?	Open-ended	
		24	What is your total asset?	Open-ended	
		25	Have you raised any investments before?	MCQ	-Yes -No
		26	Have you taken any loan from bank/MFI/Local loan Shark? if yes, please elaborate.	MCQ	-Yes -No
	Business Model	27	What is the total number of your customers?	MCQ	
		28	What is the total number of your staff?	MCQ	
		29	Do you have any marketing strategy developed for promotion of your business? If yes, please elaborate.	MCQ	-Yes -No
		30	What are your marketing activities?	Open-ended	
	Gender Lens	31	Is your business female owned/led?	MCQ	-Yes -No
		32	What % of your total number of customers is female?	MCQ	-0-5% -6-10% -11-15% -16-20% -21-25%
		33	Do you have any female-friendly policy formulated for your business? If yes, please elaborate.		-Yes -No
		34	What % of your total number of staff is female?	MCQ	
Sustainable Agriculture	35	Are you using any agri-machineries for your cultivation?	Open-ended		
	36	Are you adopting any environment-friendly practices for your business	MCQ	-Yes -No	
	37	What do you do with your crop wastage?	Open-ended		

Figure 15. Needs Assessment Questionnaire

3.3.2 Case Study on the 5 selected, female agro-entrepreneurs

1. Mosammot Zorina Begum



Mosammot Zorina Begum was obligated to start this business as her husband fell sick. It has been 15 years since. Only after about 5 years since her cattle business's inception, she started another business of her own; chili cultivation. Due to the pandemic, her businesses incurred huge loss, so she had taken out BDT 50,000 loan.

The following is the information we collected in order to obtain better understanding of how to proceed with Mosammot Zorina Begum's business venture.

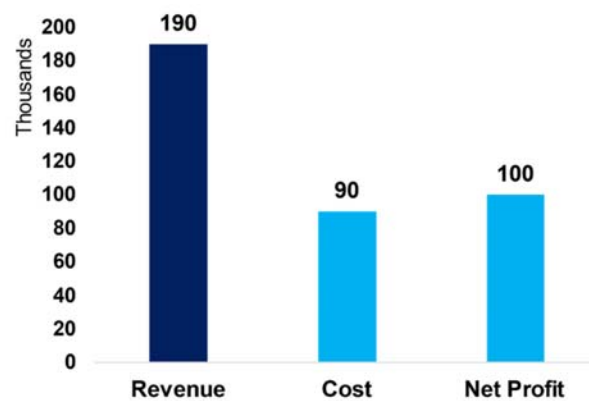


Figure 16. Annual Financial History 2021



Figure 17. Investment Ask

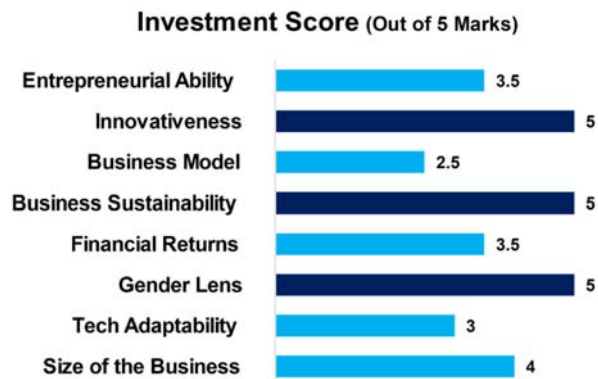


Figure 18. Investment Score

As can be observed from the figure of Investment Score, Mosammot Zorina Begum’s business is very sustainable, with stable financial returns. Her use of technology is moderate. From her annual financial history, she has a profit margin high enough to invest more into her business. Therefore, in the figure of Investment Ask, her requirement of investment is BDT 50,000. She was one of the 5 selected SMEs to receive the disbursement of BDT 1 lac, but in terms of cattle. Presently, she is using the cattle to run her existing business.

2. Akhterun Nahar



Akhterun nahar was an entrepreneur herself even before she got married. Her business was in the poultry and fish industry. She joined in on her husband's cattle-rearing business later. They incurred huge losses due to the pandemic, and were unable to sell their cattle milk for months on end, lost 600+ chickens, all together worth BDT 50,000. She took out a loan from her father of BDT 20,000 only as she could not afford to take loans from banks due to interest rates. Recently, she was still suffering from losses and hence, received the disbursement from this project.

The following is the information we collected in order to obtain better understanding of how to proceed with Akhterun Nahar's business venture.

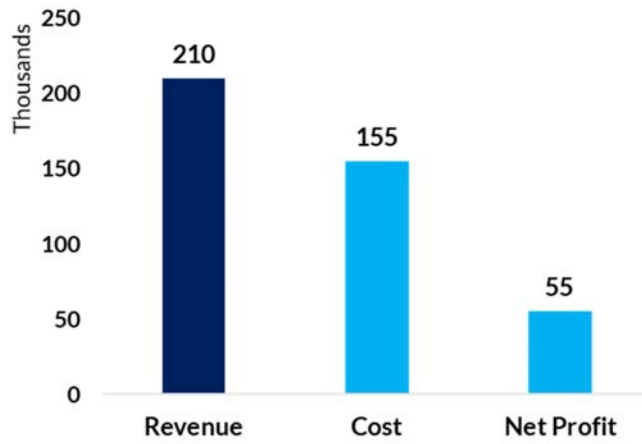


Figure 19. Annual Financial History 2021



Figure 20. Investment Ask

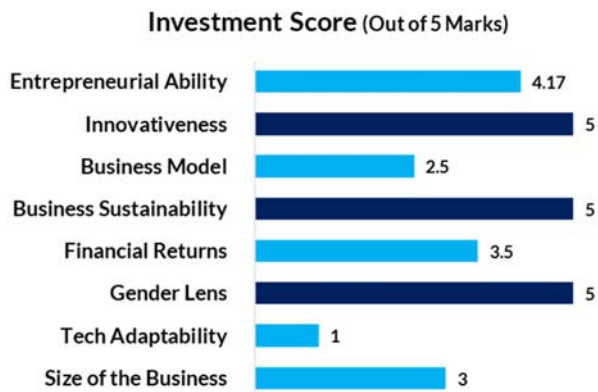


Figure 21. Investment Score

From the following figures above, it can be seen that Akhterun Nahar required an investment of BDT 1 lac (Figure 3.3.2 5, Investment Ask), the exact amount set by Oxfam for the equity-based impact investment project. Although she displays moderate financial returns, business is highly sustainable, shows average profit margin, her business continues to display losses incurred since peak covid times as compared to how it was pre-covid.

3. Morsalina Akhter



Morsalina Akhter's entrepreneurial journey started as she took over her mother-in-law's cattle business. But she said she lacked business acumen. So, she started studying and doing her own research on how to run this business. She took out loans to start the business fully again after post covid times. She stated that Oxfam and LightCastle Partners' involvement helped her understand the underlying business strategies and tactics. Presently, she was in need of BDT 1.5 lac investment, and so she was one of the 5 selected SMEs to receive the disbursement. Below are the info-graphs we collected to understand how much impact can be achieved from this disbursement.

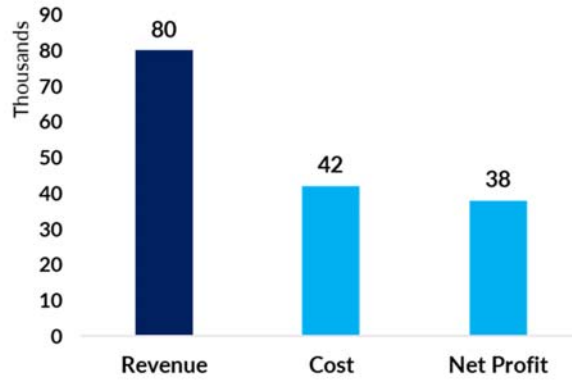


Figure 22. Annual Financial History 2021



Figure 23. Investment Ask

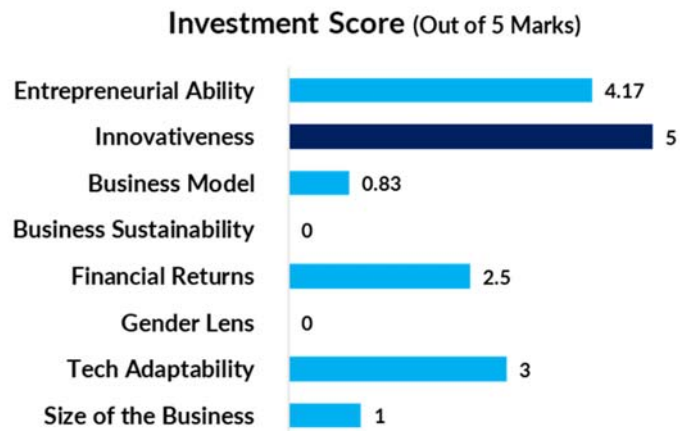


Figure 24. Investment Score

Morsalina Akhter's business is not sustainable as is measured by the above figures. Her financial returns are below average, and size of business is poor given the profit level. Although she demonstrates high level of entrepreneurial ability, she requires BDT 1.5 lac in order to run her business at full speed.

4. Mosammot Sufia Begum



Mosammot Sufia Begum started her business with 1 cow, and after a few years, she had 6-7 cows in total. She also got involved in the vermicompost business and her sales of fertilizers went up. Due to the pandemic, however, sales decreased to the point where she sold off 3 cows and took out a loan of BDT 60,000 to make ends meet. Recently, Mosammot Sufia Begum was looking for investments and hence she got selected for this project.

Below are the findings and analyses conducted to understand her present entrepreneurial abilities.

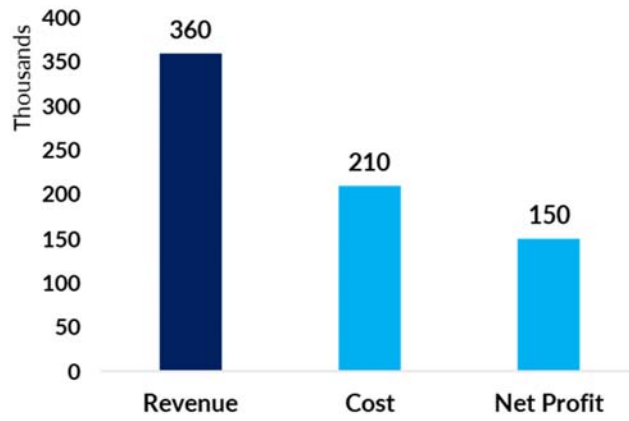


Figure 25. Annual Financial History 2021



Figure 26. Investment Ask

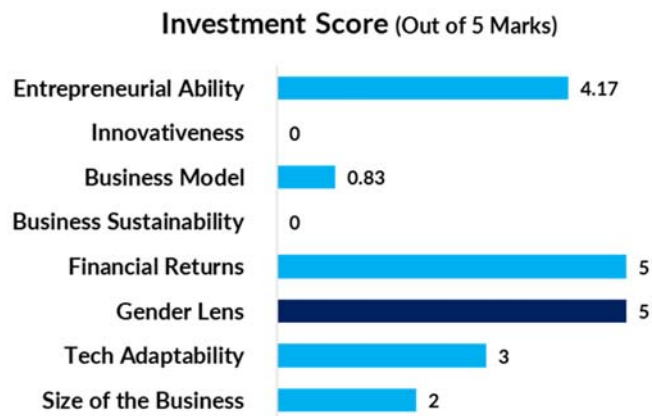


Figure 27. Investment Ask

It can be observed that Mosammot Sufia Begum's entrepreneurial ability is high, however, she has below the average profit margin. Although her financial returns are high, the size of her business is poor and she lacks business model knowledge. She was selected for this project as she required BDT 1 lac.

5. Renu Bala



Renu Bala's cattle rearing business began 12 years ago. She took a huge hit during peak covid and since then had to significantly lower the price of milk. At the same time, cow food prices shot up, so overall, her business suffered to a great extent. Although the market went back to its normal state, she stated she's still working to stabilize her own business to how it was.

The following data and information helped us understand in what areas Renu Bala's business needed the most concentration.

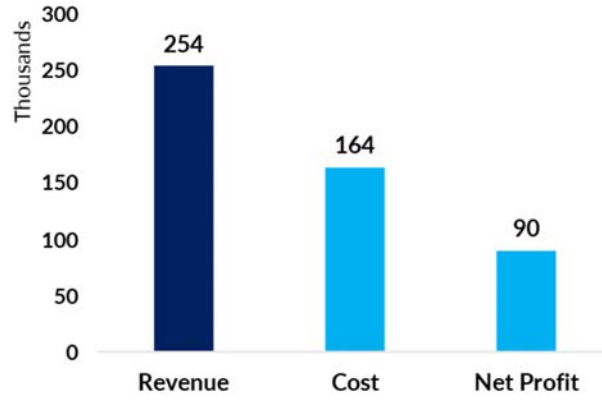


Figure 28. Annual Financial History 2021



Figure 29. Investment Ask

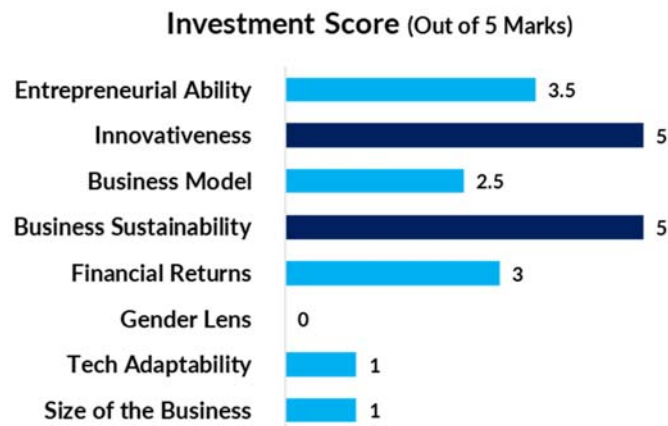


Figure 30. Investment Score

Renu Bala's size of business is very poor provided her profit margins are well below average. Although her financial returns are stable, she lacks knowledge of the business models. She needed BDT 1 lac investment as well, hence, she too was selected to receive the cattle as a disbursement in this project.

3.4 Summary and Conclusions

To sum up, after all the findings and analysis from surveys conducted, LightCastle Partners concluded to provide the selected 5 agro-entrepreneurs with patient capital. This refers to when the investor is willing to make financial investments (in this case, providing 1lac worth of capital in the form of cattle to these chosen agro-entrepreneurs), without any expectations of turning a quick profit. Here, the investment period is 1 year long, after which the principal amount must be paid, along with 1/3rd of the profits incurred from receiving this form of patient capital. However, in the case of incurring no profit, both parties are aware of accepting the loss. In the case of the investor (LightCastle Partners), the principal amount along with 1/3rd of the profit will be considered as losses, and as for the agro-entrepreneurs, their loss would be in terms of the untimely death of the cattle, or if it is filed as stolen property.

The significance of this report is to portray that instead of taking loans from financial institutions at high-interest rates, LightCastle Partners has ideated the concept of equity-based impact investment, by providing patient capital to these agro-entrepreneurs. In this method, they will have enough time (1 whole year) to conduct their business and aim for higher profits. The disbursement was made in March 2022, hence, at the moment, my study is unable to provide further evaluation or analysis of the impact achieved via this investment technique.

However, the question asks, will LightCastle Partners be able to bring a positive impact by providing equity-based impact investment to these marginalized agro-entrepreneurs. Thus far, all the investment readiness training programs that were conducted resulted in measuring a positive change in the before and after business knowledge that these entrepreneurs have. These entrepreneurs explained in detail how these training sessions helped them understand the know-how of this industry on a deeper level and that they have already decided to use different approaches to conducting their business now.

3.5 Recommendations/Implications

As stated previously, this project by Oxfam in Bangladesh is still an ongoing project and the concept of equity-based impact investment is being implemented for the first time. Hence, the only way recommendations can be made once this project starts is to measure the outcome of this investment. Presently, LightCastle Partners is in a position to continuously change methods and processes, to receive the expected outcome.

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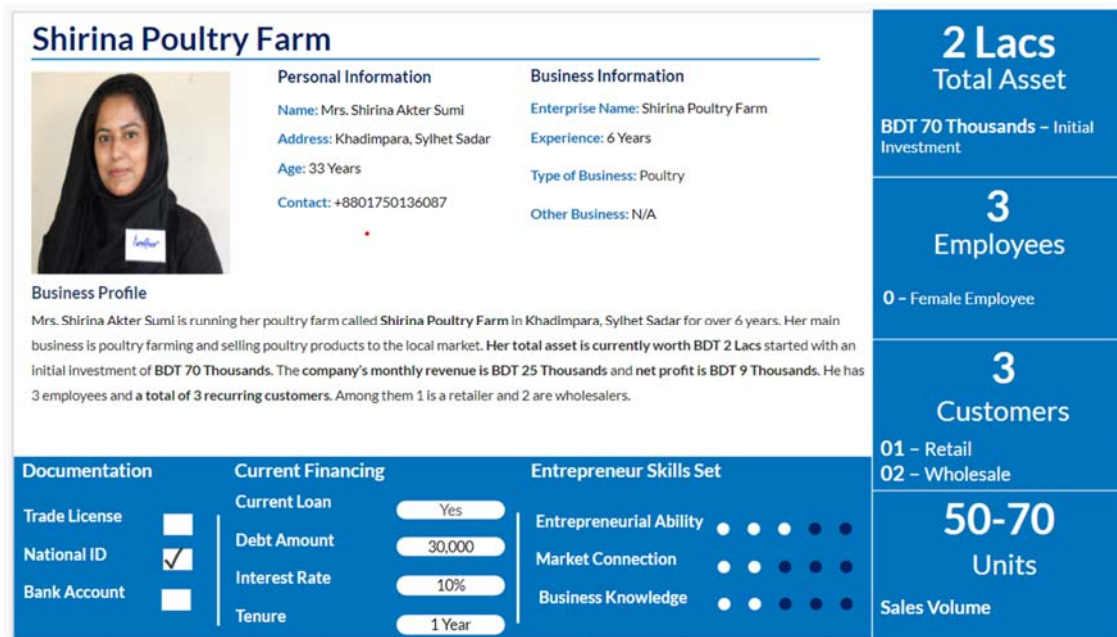
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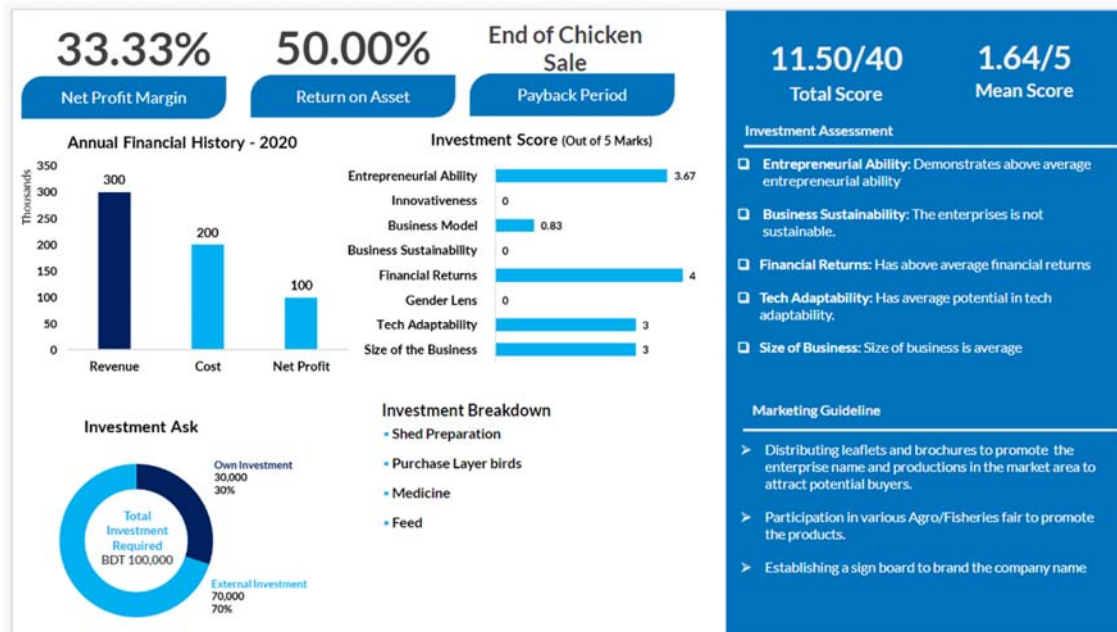
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Appendix



The above data had been gathered for the completed project titled “Uddokta; Empowering Entrepreneurs” for International Development Enterprise (iDE), a non-profit organization. In this project, entrepreneurs from different industries were surveyed and then were provided with access to finance, access to market, along with business development services (BDS).



Here, the Investment Ask data figure is based on how much investment these entrepreneurs required before the start of this project. All other findings and analysis shown above are based on a scoring guideline. Depending on various factors and parameters, the scores were added and then averaged to arrive at the conclusion. The **Scoring Guideline** is provided below.

Scoring Guideline

Overview of the Entrepreneur Scoring Model Using Both Quantitative & Qualitative Metrics						
Criteria	Overview	Excellent (5)	Good (4)	Average (3)	Poor (2)	Very Poor (1)
Entrepreneurial Ability	<ul style="list-style-type: none"> The entrepreneur has self-motivation to pursue his enterprise forward Entrepreneur Understands what value he/she offers in developing their business Take Risks, the entrepreneur has the tenacity to take risks (Previously was involved in other ventures which were successful/unsuccessful) Entrepreneur Basic Money Management Skills and Knowledge, understands the importance of proper bookkeeping and cash management 	Shows almost all the traits and has experience	Lacks 1 or 2 metrics, but overall promising	Somewhat promising	Has poor qualities in managing the entrepreneurship	Lacks the basic qualities and is taking entrepreneurship as a side hustle until getting a job.
Innovativeness	<ul style="list-style-type: none"> Unique Business Model Application of Tech and Science 	Usage of a very new idea	The business model is unique from its competitors	Application of modern technology	Somewhat usage of technology in the enterprise	Fully traditional enterprise
Business Model	<ul style="list-style-type: none"> The applicant will have articulated their business's ability to be financially sustainable and relevant to the market. Valid Trade License Prior Training Market competitiveness Financial viability (Trading Volume, Revenue, Profit Margin) 	Have a trade license, received prior training, Competitive player in the market, Has financial viability	Have a trade license, May/ May not receive prior training, Weaker market competitiveness and financial viability	Does not show market competitiveness/ Poor Financial viability	Has poor documentations and opted for not receiving training	Does not have a license/Did not Receive training/ Does not have market competitiveness/ Does not have financial viability
Gender Lens	<ul style="list-style-type: none"> Gender Inclusion in the enterprise Diversified employees Motivated to include diversify employees 	Highly diversified	Agree for include both genders in the enterprise	Somewhat agree to inclusion of women in the enterprise	Inclined to disagree with diversification	Doesn't want any opposite gender employee

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Overview of the Entrepreneur Scoring Model Using Both Quantitative & Qualitative Metrics						
Criteria	Overview	Excellent (5)	Good (4)	Average (3)	Poor (2)	Very Poor (1)
Business Sustainability	<ul style="list-style-type: none"> Environmental sustainability – Enterprise should not create significant disruption to the ecosystem or cause the loss of biodiversity or substantial pollution impact. Economic sustainability – Enterprise must be a viable business with good long-term prospects. Social and community sustainability – Enterprise must be socially responsible and contribute to community well-being. 	Strong player and matches all three sustainability criteria	Matches all three sustainability criteria but weak in one criterion	Fulfills two sustainability criteria but has a gap in one	Fulfills one of the criteria for sustainability	Does not meet any of the sustainability criteria
Financial Returns	<ul style="list-style-type: none"> BDT 50,000-1,00,000 – 1 Point BDT 1,00,000-1,50,000 – 2 Points BDT 1,50,000-2,50,000 – 3 Points BDT 2,50,000-3,50,000 – 4 Points More than BDT 3,50,000 – 5 Points 	Very strong revenue generation	Strong revenue generation	Sustainable revenue generation	Poor revenue generation	Very poor revenue generation
Tech Adaptability	<ul style="list-style-type: none"> Ability to use smartphone Ability to use internet Ability to browse various website 	Highly proficient	Very good in using smartphone and internet	Knows how to use YouTube and Facebook only	Use smartphone for communication purposes only	Doesn't use smartphone
Size of the Business	<ul style="list-style-type: none"> The business demonstrates a clear pathway to develop market linkages and expand business operation Has strong core operation which will enable to scale and rapidly grow the business 	Significant network and scale effects, strong operations and a product, dynamic entrepreneur who demonstrate the ability to spearhead big goals	Potential network and scale effects, underpinned by strong operations	Moderate network and scale effects, underpinned by strong operations	Somewhat network and scale effects, underpinned by strong operations	Significant operating overhead and burden of producing/ maintaining operation, supplier relationships, and/or other resources hamper scale potential

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This is the **Scoring Guideline** that had been used for the Uddokta project. This same scoring guideline was also used to conduct the preliminary data analysis for the OXFAM project. Upon the successful completion of this iDE project, LightCastle Partners decided to take up the similar project by Oxfam, but in a different region, in hopes to find success from it as well.