

Grassroots *Business Fund*

Business Advisory Services

BAS Funds Committed by Functional Area

Financial Management:	31%
Strategy:	29%
Operations:	22%
Environmental and Social:	14%
Governance:	4%
Legal/Regulatory:	1%



Grassroots Business Fund provides Business Advisory Services (BAS) to our companies to build better business results, and thus drive social impact. GBF delivers BAS through both our local field-based staff and external consultants. Local staff work alongside companies on complex strategic issues, financial management and corporate governance. This includes actively attending board meetings, conducting monthly financial reviews and annual strategic planning sessions, among other activities. External consultants tend to serve as experts and advisors in specific fields, such as environmental and social policies and supply chain management.

Over the years, GBF has learned that BAS is best delivered through long-term assignments. When necessary, GBF uses consultants for multiple clients who face similar issues. These “portfolio experts” are able to engage with clients over a longer period of time, build trust and mutual understanding, while bringing rigor and business expertise to companies. By “bundling” such activities, GBF is able to deliver BAS efficiently and inculcate BAS consultants with GBF’s approach and values.

While the effectiveness of BAS is difficult to measure, GBF tries to capture how BAS improves a company. This is done by tracking ability scores (an internal scoring system along BAS focus areas), completion of annual success factors, and responses from companies in the annual client feedback survey.

This BAS program lets GBF consider and address the overall health of the client, which includes its ability to service obligations, generate sustainable earnings or savings for people with low incomes, and continue to expand its impact and reach.



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GBF's Business Advisory Services focus on six key areas identified as critical for business success.

Each business undergoes an initial ability review and is given a score for each focus area. Success factors are set and achievements are monitored. Throughout the life of the investment, GBF allocates BAS funding to areas where improvement is most needed. The goal is to improve the ability score and ensure the sustainability and growth of the company.

1 Financial Management

GBF's clients often lack the necessary management skills, tools, governance or financial planning expertise to develop well-managed, financially sustainable business operations. GBF provides support for these companies so they can develop management dashboards, budgets, financial analysis skills and more.

3 Environmental & Social

GBF believes that its businesses must balance financial returns with social returns and environmental responsibility. GBF is working with its clients to incorporate good practices for environmental and social monitoring and improvement, and to evaluate their impacts by using surveys. GBF is also learning to be humble, and adapt practices that fit the needs and abilities of portfolio companies.

5 Legal & Regulatory

As GBF's portfolio companies grow they often face regulatory and legal obstacles that need to be addressed. These include the necessity to restructure existing entities into a form that improves efficiencies and encourages future investment, to formalize a board and corporate governance procedures, to comply with new local laws, and more. GBF teams with partners to offer legal assistance to our portfolio companies.

Strategy 2

GBF supports businesses that are growing, or have the potential for growth, if given the appropriate tools and financing. As part of GBF's business advisory services, GBF staff work with portfolio companies to develop overall strategic plans and budgets that frame future business line expansions, resource planning, and allow for operational monitoring.

4 Operations & Supply Chain Management

To date, GBF has invested in several businesses, particularly in the agribusiness and artisanal sectors, where sourcing from hundreds or thousands of micro-producers through a fair and efficient supply chain is critical to the success of the business. Such investments often require an eco-system approach, where GBF can provide investment capital, and partner with a BAS provider who can help build and strengthen the inclusive supply chain.

6 Human Capacity & Governance

Finding skilled managers, retaining highly trained staff, and attracting seasoned advisors are some of the main challenges faced by GBF's clients in their countries of operations. Capable managers and advisors can help companies to streamline operations, manage by numbers, and develop and execute growth plans. GBF has started addressing this issue by placing local mid- and top-level managers in select clients for extended periods. Through this limited initial support, our clients can see the value of bringing this capacity in-house.

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