



Evaluation of the BASE Program

(February 2018–April 2020)



This evaluation was conducted by the ABF Impact Assessment and Evaluation Team.
We would like to express our particular gratitude to the local coordinators of the BASE program: Alexander Grozdanov, Dessislava Chalamova, Eleonora Negulova, and Luybka Georgieva for their valuable contribution to the study.

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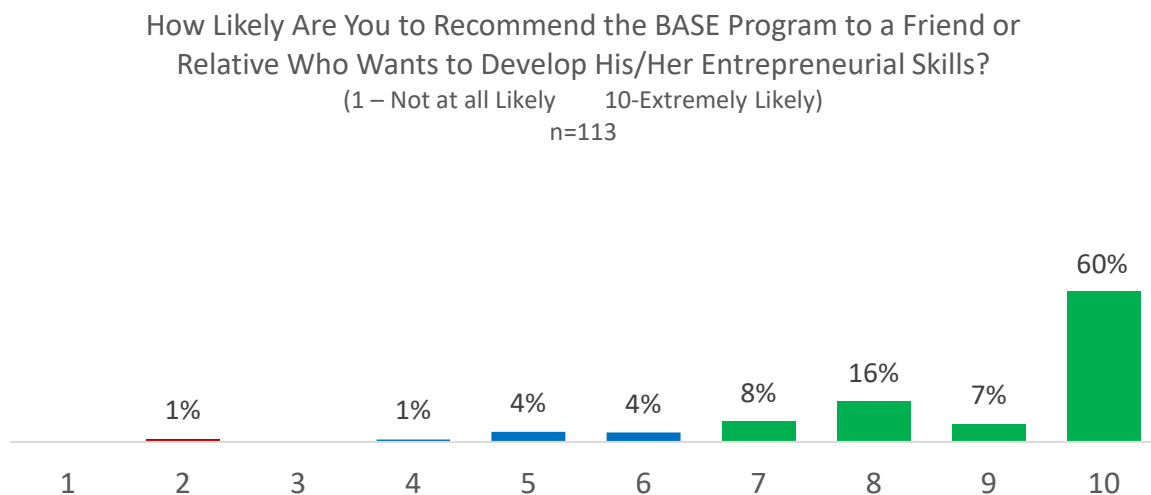
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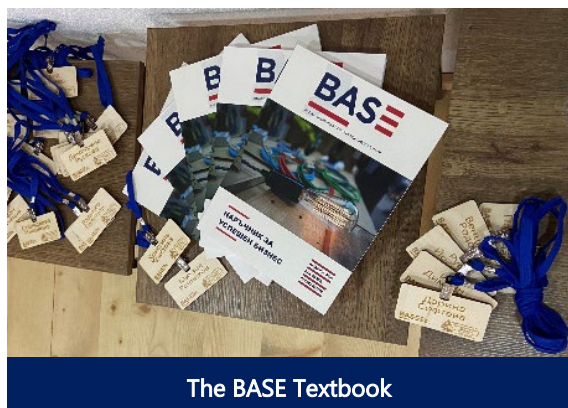
I. Executive Summary

Description of the Program: The Business Academy for Starting Entrepreneurs (BASE) is a free training program for individuals who want to start or expand their own business. The core of the BASE program is a 13-week training delivered by volunteer professionals with significant knowledge and business background. In Bulgaria, BASE was piloted by TSA in 2015-2017. After the reduction of TSA's budget, the project was put on hold and ABF started to look for new partners to take it over. ABF continued the program in February 2018 and thus far 19 cohorts in 10 locations have gone through the training. The first eight cohorts were trained in the period February 2018-April 2020 and 196 individuals graduated from the program. The total investment of ABF in the first eight cohorts amounts to USD 190,000.

Objectives and Methodology of the Evaluation: The evaluation focuses on the first eight cohorts to make sure that at the time it was conducted, all surveyed graduates had at least one year to develop their business ideas. The main goal of the assessment is to provide a snapshot of the BASE graduates' business ideas and identify which aspects of the BASE program could be improved 3.5 years after its relaunch. The findings in the report are based on 113 completed survey forms filled out by BASE graduates (58% response rate), 24 in-depth interviews with BASE participants with businesses, interviews with program coordinators, and desk research.

Quality of the Program: Overall, ABF has managed to create a training program for starting entrepreneurs that is **highly valued by those who have participated in it**. All but 3% consider the program useful, with 57% of the respondents believing it is extremely useful. In addition, on a scale of 1-10, the majority (60%) rated the likelihood to recommend BASE to a friend/family member who wants to develop his/her entrepreneurial skills as 10.





The BASE Textbook

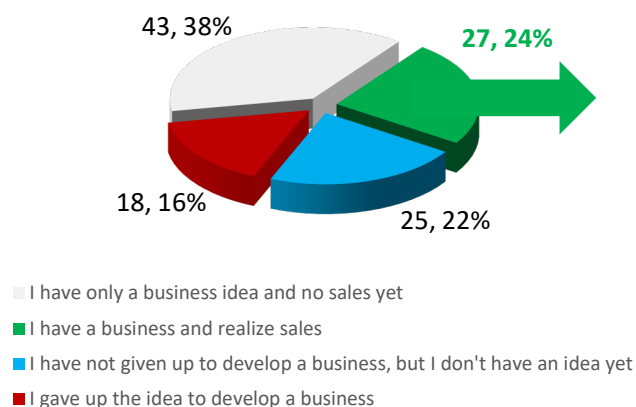
During the in-depth interviews, many of the interviewees shared that the program has **unique value-added for smaller settlements** such as Etropole (11,479), Panaguyrishte (23,110), and Mirkovo (2,381) to mention a few, where such training opportunities are lacking.

The most useful modules of the program were **marketing and advertising (59%), market research (58%), and development of the business idea (48%)**. The exchange of experience with lecturers who run businesses on a similar scale and the information for available funding for

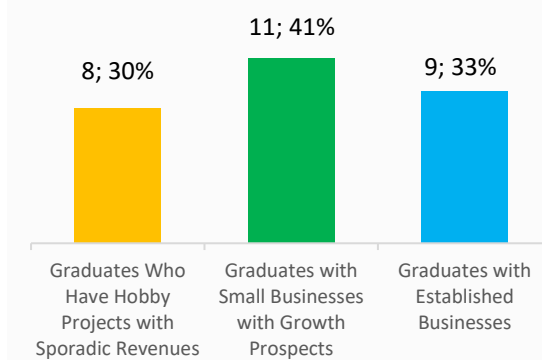
small businesses were other aspects of the program that were particularly useful for the participants. As to the BASE textbook, the majority (90%) of the respondents found it to be a useful training tool as well—45% rate it as ‘*rather useful*’ and another 45% as ‘*extremely useful*’.

Status of the Business Ideas of the BASE Graduates: Close to **one-fourth of the BASE graduates in our sample (24%)** have businesses that realize sales. These alumni run a total of **34 different businesses** and have created **38 full-time jobs¹** (20 of them were created after the program) and **46 part-time jobs²**. Based on the quantitative study and the in-depth interviews with BASE participants, we identified three main types of BASE graduates who run businesses: *Graduates Who Have Hobby Projects with Sporadic Revenues*, *Graduates with Small Businesses with Growth Prospects*, and *Graduates with Established Businesses*.

Status of the Business Ideas of the BASE Graduates Who Took Part in The Alumni Survey
and %
n=113



Profile of the BASE Graduates with Businesses That Realize Sales³
and %
n=27



¹ Owner/co-owners or the family members working for the business including.

² Owner/co-owners or the family members working for the business including.

³ One of the participants has two businesses that fall into two different categories.

The alumni in the ‘*Hobby Projects with Sporadic Revenues*’ category have full-time jobs and work on their business ideas when time permits. The revenues of these businesses are below \$3,600 per year, which means that the financial contribution of these businesses to the standard of living of their owners is insignificant. **These ideas have little chance to become sustainable businesses.** The good news is that these graduates have not given up their ideas.

The businesses in the ‘*Small Businesses with Growth Prospects*’ category were started just before BASE or shortly after the program. For **more than 64% of the alumni in this group, the revenues generated by their businesses provide 50%+ of their personal monthly income**, which is a good indication of the importance of those businesses for the standard of living of their owners. **For almost half of them, the program experience made a huge difference and contributed a lot to the development of their business ideas, which we consider the biggest impact of the program.** These companies have created a total of 9 full-time and 6 part-time jobs in addition to the 20 jobs held by the owner/co-owners or the family members involved in those businesses.

Another one-third (33%) of the BASE graduates fall into the ‘*Graduates with Established Businesses*’ category. These participants run companies that were started long before the program and have already invested significant resources in the development of their business ideas. Not surprisingly, these businesses operate with a higher turnover than the businesses in the other two categories. As a result, for 90% of these alumni, the revenues generated by their businesses provide 50%+ of their monthly income. **Nevertheless, the program contributed to the development of the business ideas of most of the alumni in this group as well.** The companies in this category have 10 full-time and 13 part-time employees, in addition to another 19 family members or co-owners working for the businesses.

BASE Compared to the US Workshop in Business Opportunities (WIBO) and the Community Investment Collaborative (CIC): The three programs are similar in duration and content and differ in the structuring of the classes and training approaches. The top-down lecturing approach prevails with BASE compared to the participatory and discussion-based classes of WIBO and CIC. BASE has the most simplified application process and is the only free program. WIBO charges USD 350, CIC’s fee is USD 750, and both offer need-based scholarships.

BASE is designed to reach out to as many people as possible. **In two years, BASE graduates (196) constitute almost 50% of the number of CIC graduates in 10 years (397). BASE is doing well with the number of newly created businesses.** If we extrapolate the current number (24) for ten years ahead, there will be 120 new businesses, substantially exceeding the 89 new businesses launched by CIC alumni. **This happens at a reasonable cost—USD 969⁴ per BASE graduate (196).** The comparison to the estimated cost of a CIC graduate of \$7,089⁵ suggests that the BASE program is an efficient investment.

⁴ The average monthly salary in the private sector in Bulgaria in 2020 was USD 853

⁵ The average monthly salary in Charlottesville, Virginia in Q2 of 2021 is USD 5,083

However, the **BASE graduation rate is the lowest (77%)** compared to the average of 89% for CIC and 93% for WIBO (only for the first cohort). The **share of BASE graduates who launch new businesses, 10% (in three years), is much lower** than the one for CIC—22% (in ten years). The lower share, coupled with the short period of the program existence, results **in over 2.5 times lower number of FTEs created per BASE graduate—0.18** compared to 0.46 for CIC.

BASE still lacks some of the well-developed instruments for on-going support that WIBO and CIC offer to their alumni. One possible solution might be to expand the pool of volunteers beyond the lecturers and provide one-to-one assistance to the businesses.

Recommendations for Improvement: The program could be improved by adding more **practical tasks, case studies and exercises** to the training curriculum. Several graduates suggested that the lecturers should work **more closely with the participants on the specific business cases**. Another idea is to allocate **more time for group work** so that participants could interact and exchange know-how among themselves.

Ideas for Follow-Up Support to BASE Graduates: Several alumni showed interest in participating in a **mentorship program**. The BASE Mentor Team might consider offering the mentorship program to all graduates and select the participants through an application process⁶.

Another suggestion for ongoing support is to provide an opportunity for **one-on-one consultations with experts or entrepreneurs from various fields**, based on the needs of the business owners. Several graduates suggested that **experienced entrepreneurs could visit graduates' businesses on site** and help them improve their business operations.

Sales to businesses, funding opportunities, ads and marketing, and sales to end customers seem to be the topics that businesses are most interested in terms of additional training and consultations. Training courses on these topics is another follow-up support that could be offered to the BASE graduates.

Recommendations to ABF: Even though BASE did not reach some of its targets for the first eight cohorts, **it fills in a real need in the country and enjoys the recognition of its usefulness by most of the participants**. Therefore, we recommend the continued investment in new cohorts, while carefully choosing the implementing partners. Outsourcing the management of the program might be a necessary step as well.

Studying the status of the business ideas of the BASE graduates of the first eight cohorts might not be sufficient to generalize some of the conclusions. Therefore, we strongly recommend **repeating the study two years from now to track the sustainability of the currently active businesses** and business ideas as well as to explore the status of the businesses of the pool of next relevant cohorts. The findings of such a study will supply more data, some of it longitudinal, and will provide more evidence as to the program achievements.

⁶ In the first edition of the BASE Mentor Program the participants were preselected by the BASE Mentor Team.

Judging by the experience of comparable programs in the U.S., ABF might consider testing online courses in times of pandemic and strengthening the admission process to make sure that the program really provides opportunities to those who have the strongest motivation to start or expand businesses.

II. Description of the Program

Program Title: Business Academy for Starting Entrepreneurs (BASE)

Grantees: Regional Association of Small and Medium Business Vratsa, Srednogorie Cluster, and Association of Bulgarian Leaders and Entrepreneurs (ABLE).

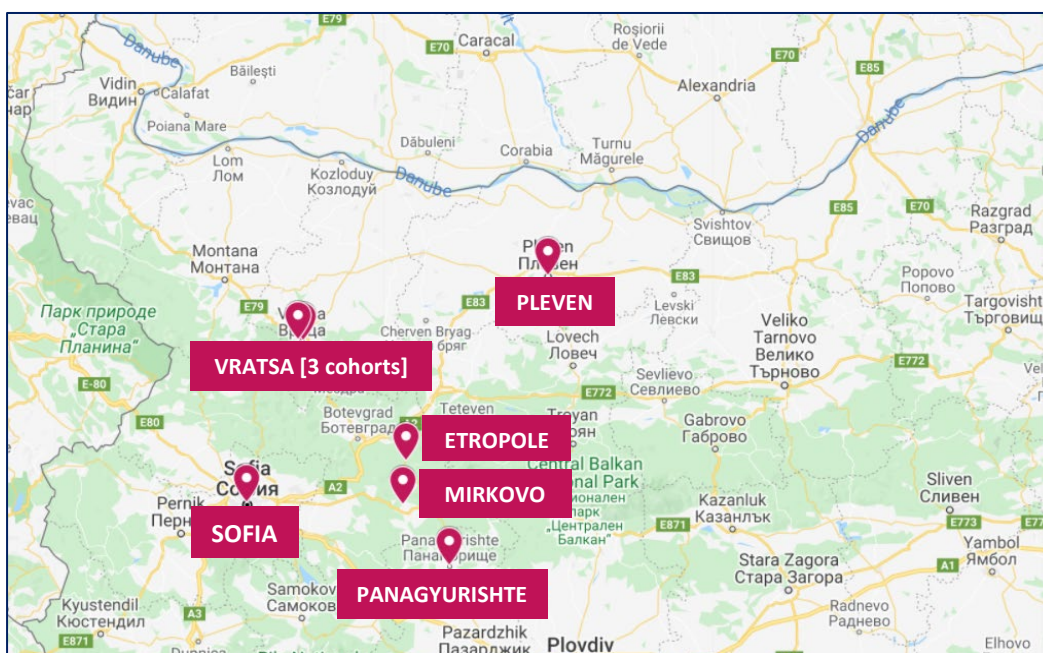
Cost of the First Eight Cohorts: USD 190,000

The Business Academy for Starting Entrepreneurs (BASE) was tailored after the Workshop in Business Opportunities (WIBO)—a business training program first introduced in 1966 to help provide entrepreneurial opportunities and economic independence of African Americans and migrants in Harlem, New York City. The mission of WIBO is to enable small business owners and budding entrepreneurs from under-served communities to obtain financial success by starting, operating, and building successful businesses that develop economic power, provide jobs, and improve communities.

The core of the BASE program consists of a 13-week training and support delivered by professionals that have significant knowledge and business background. Lecturers engage on a volunteer basis.

In Bulgaria, BASE was piloted by TSA in 2015-2017. After the reduction of TSA's budget, the project was put on hold and ABF started to look for new partners to take it over. ABF continued the program in February 2018 and thus far 19 cohorts in 10 locations have gone through it. The evaluation focuses on the first eight cohorts to make sure that at the time it was conducted, all surveyed graduates had at least one year to develop their business ideas. The first eight cohorts were trained in the period February 2018-April 2020 by three grantees (the Srednogorie Cluster, National Association for Small and Medium Business, and ABLE) and took places in the six locations marked on the map below.

Illustration 1.



III. Objectives and Methodology of the Evaluation

The main goal of the study is to provide a snapshot of the BASE graduates' business ideas at least one year after their graduation from the program. The study findings will provide ABF with insights for future investments in this area and identify which aspects of the BASE program could be improved. The evaluation covers the first eight cohorts, which completed the BASE program in the period February 2018–April 2020.

The table below presents the main evaluation questions of the assessment.

Table 1. Evaluation Questions

Q1. At what stage are the BASE alumni's business ideas/businesses?
Q1.1. What has changed with the BASE alumni's businesses started before the program?
Q1.2. How many of the BASE alumni have started new businesses after the program?
Q1.3. How many of these already make sales?
Q1.4. What are the main characteristics of the newly launched businesses?
Q1.5. How many new jobs have been created and sustained by the alumni's businesses after the program?
Q1.6. What are the main issues/obstacles the alumni encounter when developing their businesses?
Q1.7. What are the reasons for some of the alumni to delay or even stop developing their business ideas?
Q1.8. What are the key drivers of success?
Q2. What has been the impact of the program on the business ideas/businesses of the BASE alumni?
Q3. What is the alumni's assessment of the quality of the program?
Q3.1. How useful was the BASE textbook for the alumni?
Q3.2. Would the alumni recommend the program to their relatives and acquaintances who are interested in starting and running their own business and why?
Q3.3. What were the most valuable components of the program according to the alumni?
Q3.4. What can be improved in the BASE program according to the alumni?
Q4. What are the current business development needs of the alumni?
Q5. What are main lessons learned for ABF from this investment so far?

In April 2021 the evaluation team completed the quantitative data collection of the BASE evaluation. The effort continued much longer than planned, but we managed to get the responses of 113 alumni, or 58% of the target group. The results analyzed in this report are based on these 113 responses. Subsequently, we made an additional effort to identify the status of the business ideas of those participants that did not take part in the study to get a comprehensive picture of the whole target group of the study. Positively, this additional effort confirmed that the composition of the study sample mirrors the composition of the general population.

The quantitative part of the study was followed up by 25 in-depth interviews with selected BASE participants to get more information about the development of their business ideas and clarify

data they provided in the quantitative survey. The tables below present the main parameters of the quantitative and qualitative studies.

Table 2. Parameters of the Quantitative and Qualitative Studies

Period of the Survey	January 5 – April 10, 2021
Data Collection Method	Survey
Sample Methodology	Comprehensive Study of All Graduates
Period of the Survey	May 25 – June 18, 2021
Data Collection Method	In-depth Interviews
Number of Interviews	24

Table 3. BASE Graduates and Survey Response Rate

Cohort	Graduated	Enrolled	Graduates	Graduation Rate	Responses	Response Rate
Mirkovo	Q4 2018	33	33	100%	16	48%
Etropole	Q4 2018	28	28	100%	21	75%
Vratsa I	Q1 2019	41	23	56%	11	48%
Panagyurishte	Q2 2019	47	31	66%	19	61%
Vratsa II	Q3 2019	34	16	47%	5	31%
Vratsa III	Q1 2020	23	18	78%	6	33%
Sofia	Q2 2020	31	30	97%	26	87%
Pleven	Q2 2020	39	17	44%	9	53%
Total		276	196	Average 71%	113	Average 58%

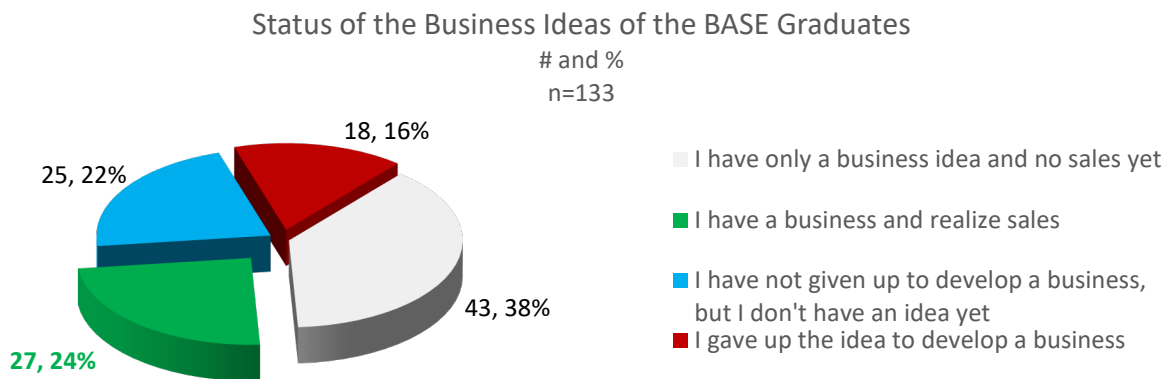
IV. Findings

1. Status of the Business Ideas of the BASE Graduates

Approximately one-fourth (24%; 27 graduates) of the surveyed BASE graduates have businesses that realize sales. These alumni run a total of 34 different businesses and have created 38 full-time jobs⁷ (20 of them were created after the program) and 46 part-time jobs⁸.

The rest of the graduates (76%; 86 graduates) still do not run a business. 22% have not given up the idea to have their own business, but don't work on a specific business idea presently. 38% claim they have a business idea, but no sales yet (see the chart below).

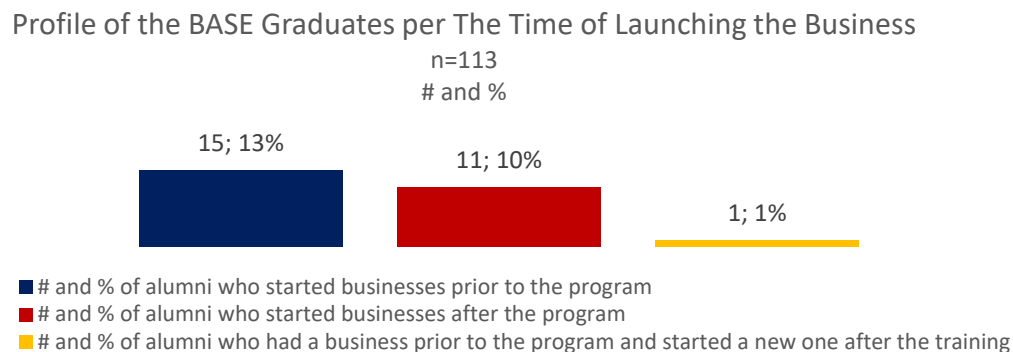
Chart 1.



2. Profile of the BASE Graduates Per the Time of Launching the Business

One in ten BASE graduates started his/her first business after the BASE program, which gives an indication of the immediate effect of the program (see the chart below). This is 12% lower than the average target of 22% set for the first eight cohorts. Part of the explanation is the low admission criteria and the difficulty to attract enough applicants in the initial years.

Chart 2.



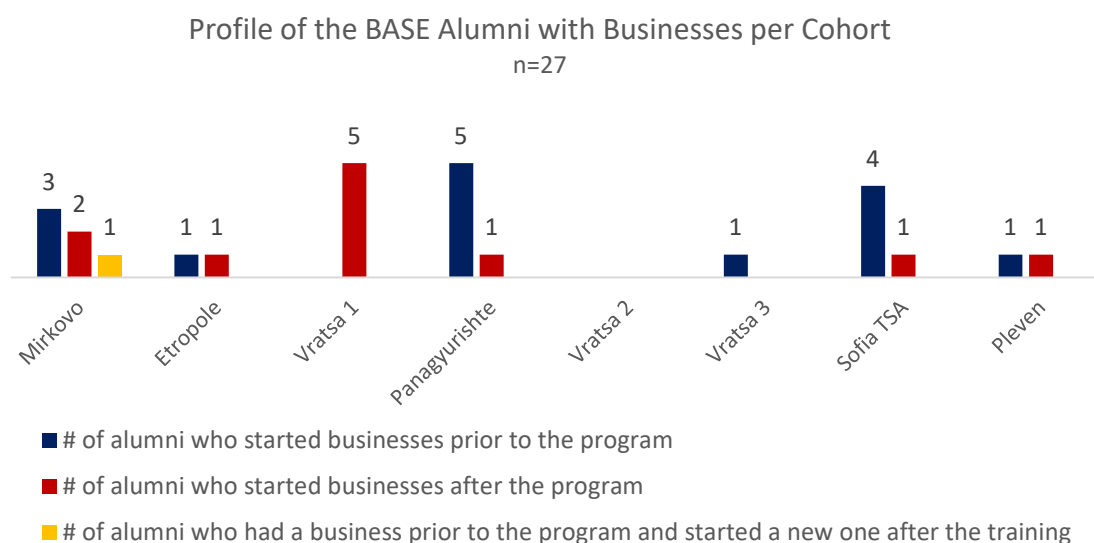
⁷ Owner/co-owners or the family members working for the business including.

⁸ Owner/co-owners or the family members working for the business including.

For one graduate, the training was a motivation to start a small new business after the training (vending machines), in addition to the already existing one, while 13% of all graduates (15 alumni) have started their businesses prior to the training. One-fourth of those graduates (4 alumni) have extended their business after the program by hiring new employees or increasing their annual revenues.

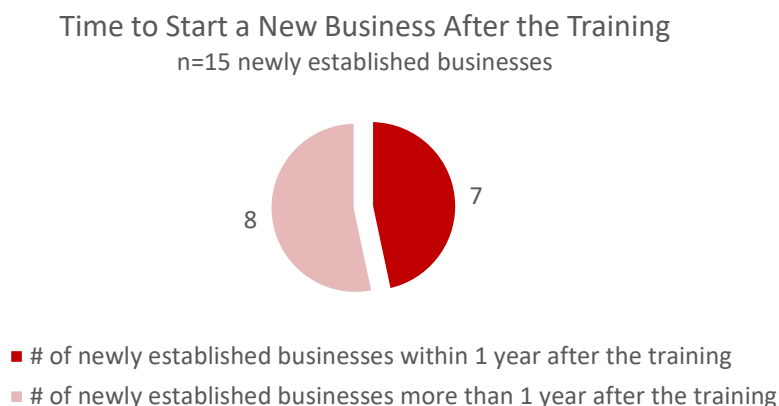
The alumni who started businesses after the program are mostly from the first four cohorts, graduated in the period spring 2018-spring 2019.

Chart 3.



The surveyed BASE graduates have created a total of 15 businesses after the program. The data on the time to start a new business, reveals that though 50% of the new businesses were established within one year after the training, this time is much longer for the same number of businesses. Therefore, it is realistic to expect the launch of new businesses by the alumni who completed the program in the period spring 2019-spring 2020.

Chart 4.



3. Profile of the BASE Graduates per the Type of Business They Run

Based on the quantitative study and the in-depth interviews with BASE participants, we identified three main types of BASE graduates who run businesses: *Graduates Who Have Hobby Projects with Sporadic Revenues*, *Graduates with Small Businesses with Growth Prospects*, and *Graduates with Established Businesses* (see the chart below⁹).

Chart 5.

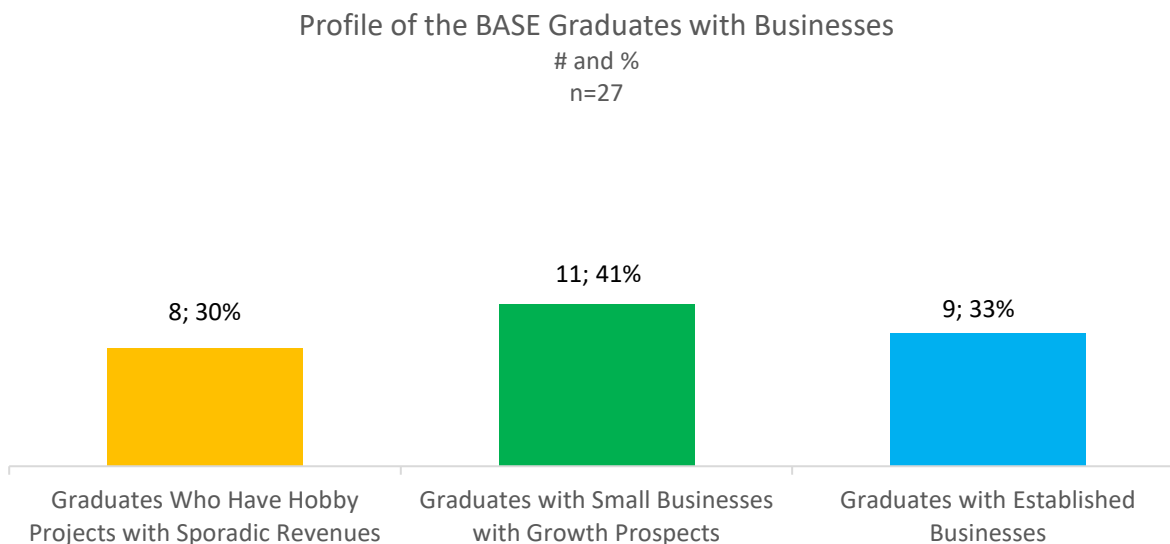


Illustration 2.



⁹ One of the participants has two businesses that fall into two different categories.

3.1 Graduates Who Have Hobby Projects with Sporadic Revenues



8 Graduates



**30% of the Graduates with Businesses
7% of All Graduates**



8 Projects

These are BASE alumni who have full-time jobs and work on their projects when time permits. The revenues of these businesses are below \$3,600 per year. Only two of the participants in this group have registered their businesses. Based on our observations, these ideas have little chance to become sustainable businesses. The alumni with such type of business ideas do not look for additional funding and would not take the risk to leave their full-time job and try to scale up their business ideas. Not surprisingly, the financial contribution of these businesses to the standard of living of their owners is insignificant. The good news is that these graduates have not given up their ideas.

3.2 Graduates with Small Businesses with Growth Prospects



11 Graduates



**41% of the Graduates with Businesses
10% of All Graduates**

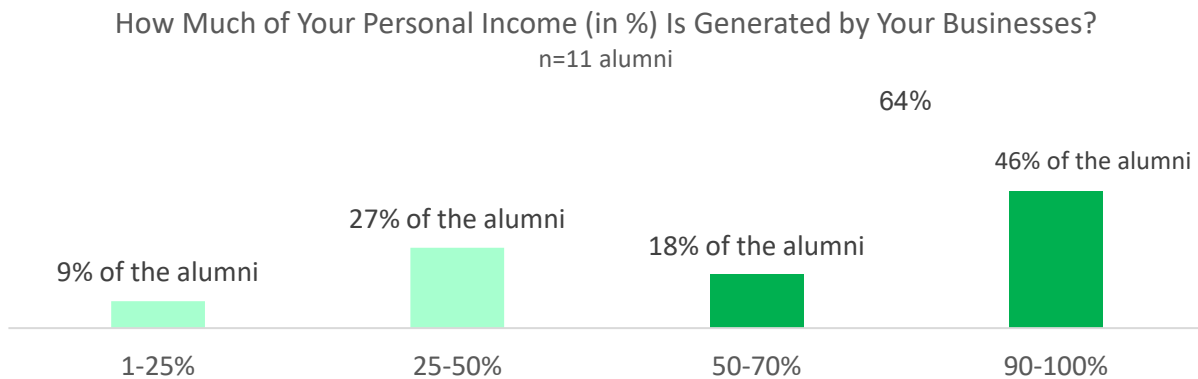


14 Businesses

These are business ideas that are still in their initial phase of development, but most of them already generate a steady income and have the potential to become self-sustainable. These companies were started just before BASE or shortly after the program.

For more than 64% of the alumni in this group, the revenues generated by their businesses provide 50%+ of their personal monthly income, which is a good indication of the importance of those businesses for the standard of living of their owners (see the chart below).

Chart 6.



Three of the businesses have created a total of 9 full-time and 6 part-time jobs in addition to the 20 jobs held by the owner/co-owners or the family members involved in the business. The table below illustrates the total number of full-time employees and personnel with temporary employment that work for the businesses in this category, including the business owners, co-owners, and the family members.

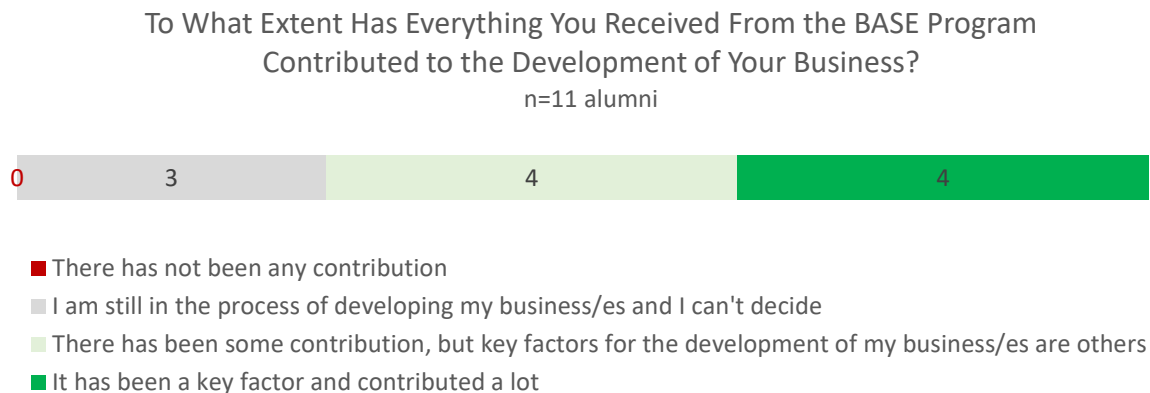
Table 4. Employees at the Companies in the Small Businesses with Growth Prospects Category

	Time Devoted to the Business (Owner/s and Co-Owners)		Employees	
	Work Full-Time on the Business	On Demand	Full-Time	Part-Time
Participant #1 (FB)	1	1	-	-
Participant #2	-	2	-	-
Participant #3 (FB)	-	2	-	-
Participant #4	-	1	-	-
Participant #5 (FB)	-	3	-	-
Participant #6	1	-	-	1
Participant #7	2	-	5	3
Participant #8	-	1	-	2
Participant #9	1 (run both businesses)	1	1	-
Business #1				
Business #2			-	-
Participant #10	1 (run all businesses)	-	3	-
Business #1				
Business #2				
Business #3				
Participant #11 (FB)	-	3	-	-
Total	6	14	9	6

FB* - Family Business

When it comes to assessing the contribution of the program to the development of the participants' businesses in this group, for four of them the program experience made a significant difference and contributed a lot to the development of their business ideas. Another one-third (4 participants) claim some effect of the program on their businesses, but state that there were other key factors that influenced the development of their companies (see the chart below). The other three alumni are still in the process of developing their businesses and can't decide on the contribution of the program for their business ideas.

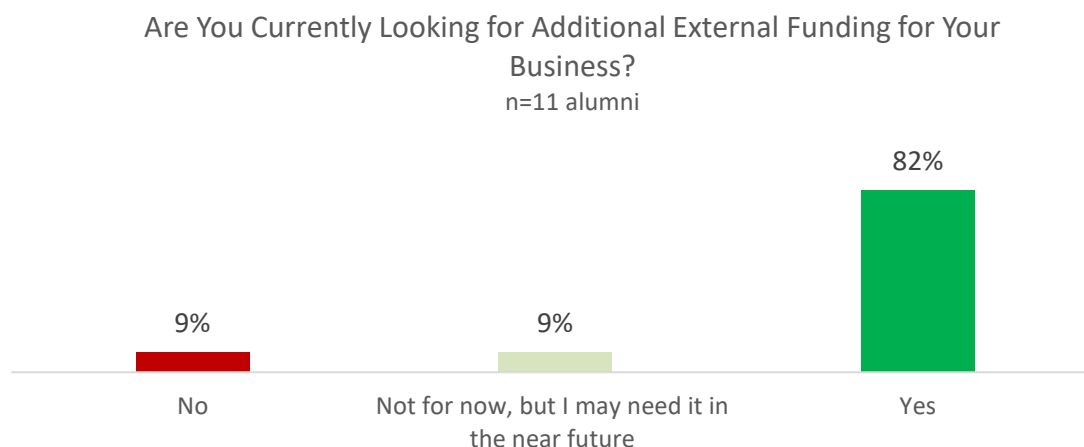
Chart 7.



Current Business Needs

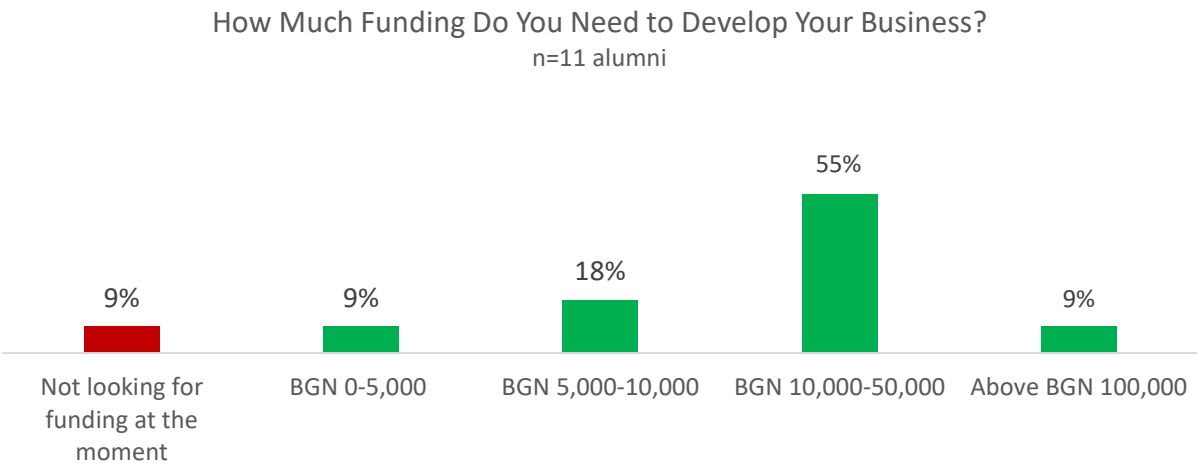
Three of the eleven starting entrepreneurs in this category have attracted external funding to their businesses after the program—two alumni took out a loan, and one attracted an equity investment. The rest of the business owners rely on personal funds to develop their business ideas. At the same time, most of the alumni in this category are currently looking for external funding (see the chart below).

Chart 8.



The funding sought by the graduates varies, but in most of the cases it is up to BGN 50,000 (USD 30,000) (see the chart below).

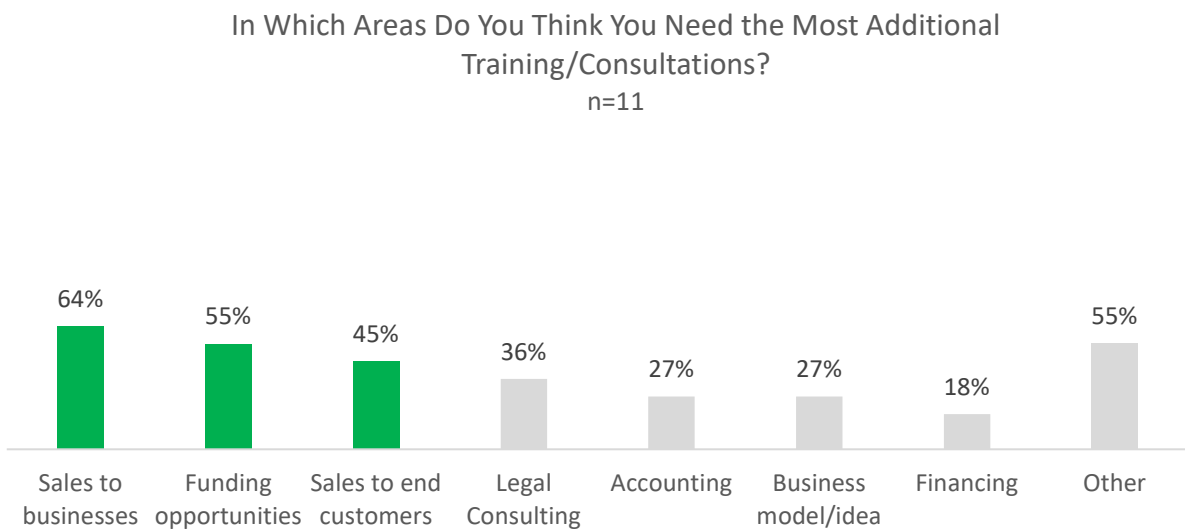
Chart 9.



However, based on our observations, not all of them can meet the requirements for a bank loan or are willing to apply for such.

Additional training and businesses consultations that meet the specific needs of the entrepreneurs is an opportunity to further support the businesses in this category. Sales to businesses, funding opportunities, and sales to end customers seem to be the topics that businesses are most interested in (see the chart below). Some of the alumni expressed interest in the opportunity to participate in a mentorship program, while other suggested that it might be helpful for businesses to be visited by experienced entrepreneurs for one-on-one consultations.

Chart 10.



3.3 Graduates with Established Businesses



9 Graduates



33% of the Graduates with Businesses
8% of All Graduates

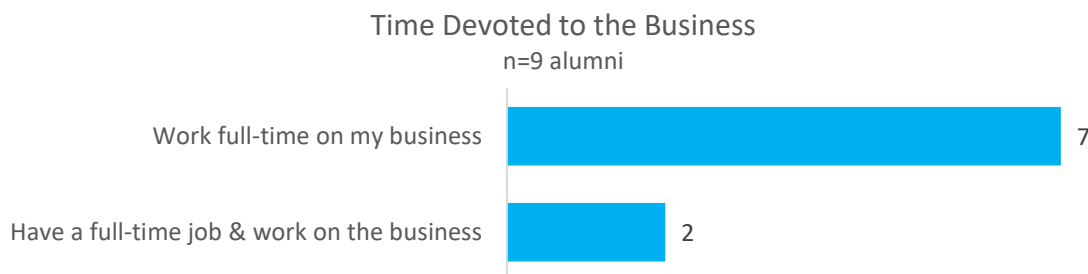


12 Businesses

The entrepreneurs in this group started their businesses long time prior to the program and have already invested significant resources in the development of their business ideas. The motivation of these entrepreneurs to participate in the program was to build upon their business skills and look for opportunities to further develop their business. Two of the participants in this group are spouses of entrepreneurs who looked for ways to contribute to the family businesses and the BASE program seemed like a good opportunity to do so.

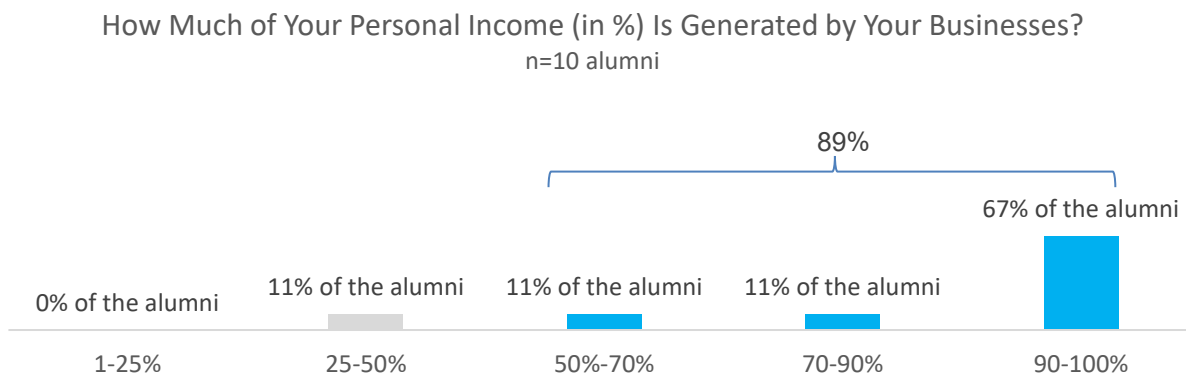
As illustrated on the chart below, most of the alumni in this group work full time on their businesses. However, for two of the alumni who run businesses, this is in addition to another job.

Chart 11.



Not surprisingly, these businesses operate with a higher turnover than the businesses in the previous two categories. As a result, for 90% of those alumni, the revenues generated by their businesses provide 50%+ of their monthly income (see the charts below).

Chart 12.



Four of the BASE alumni in this group have two separate businesses that they run. The companies in this category have a total of 10 full-time and 13 part-time employees, in addition to the family members and co-owners working for the businesses.

Table 5. Employees at the Companies in the 'Established Businesses' Category

	Time Devoted to the Business (Owner/s and Co-Owners)		Employees	
	Work Full-Time on the Business	On Demand	Full-Time	Part-Time
Participant #1	2 (FB)	0	4	1
Participant #2	1 (FB)	-	4	-
Participant #3	1	-	-	1
Participant #4	4 (FB)	-	-	-
Participant #5	1	-	-	-
Participant #6				
Business 1	-	2 (FB)	-	-
Business 2	-	1	-	-
Participant #7	2 (FB)	-	2	10
Participant #8				
Business 1	1 (run both businesses)		-	1
Business 2				-
Participant #9				
Business 1	1	-	-	-
Business 2	-	3 (FB)		
Total	13	6	10	13

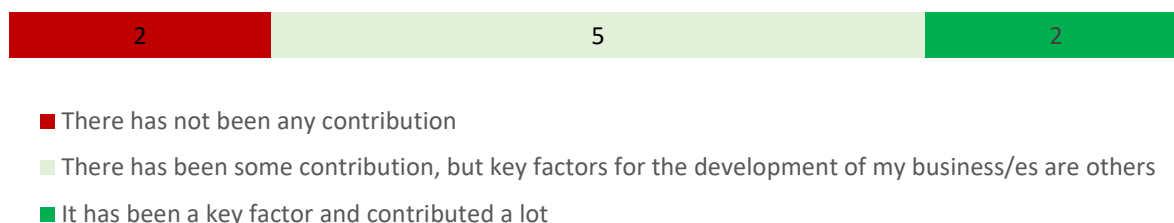
**FB – Family Business*

Although the business owners in this group already had some solid business experience before the training, the BASE training was a valuable learning experience for most of them as well. Two of the entrepreneurs in this group state that BASE was a key factor for the development of their business after the program (see the chart below). Inspiration from the lecturers, business tips related to preliminary research, advertisement, and price estimation were among the practical takeaways that helped the business owners in this group to improve their business operations.

Chart 13.

To What Extent Has Everything You Received From the BASE Program (new knowledge, advice, acquaintances, follow-up support, etc.) Contributed to the Development of Your Business?

n=9

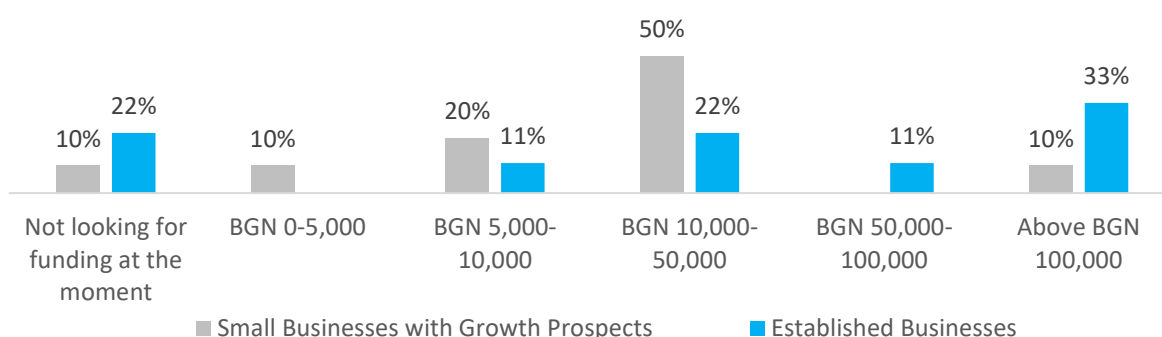


Current Business Needs

Similar to the businesses in the *Small Businesses with Growth Prospect* category, two of the nine entrepreneurs from this group have attracted external funding to their businesses after the program. At the same time, seven out of nine are currently looking for funding opportunities. As one can expect, the funding sought by the businesses in this category is much bigger (see the chart below). Noteworthy, one of the companies is looking for an investment of over BGN 1 million.

Chart 14.

How Much Funding Do You Need to Develop Your Business?



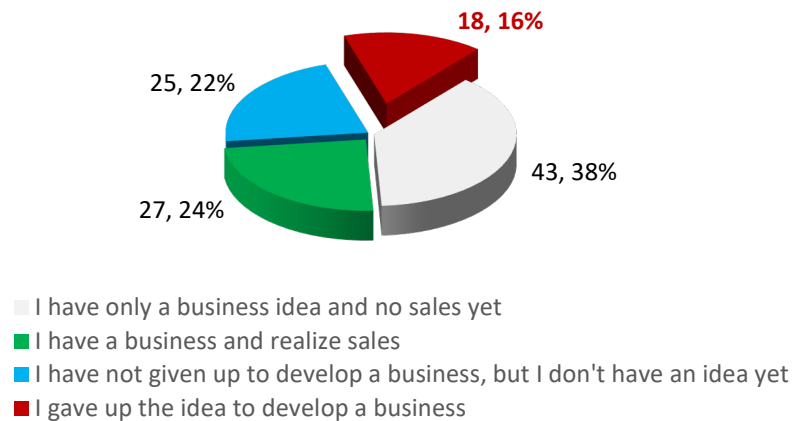
Although these are businesses in a more advanced stage of development, most of them are also interested in additional capacity building. In contrast to the *small businesses with growth prospects*, advertising and marketing seem the topic that is of most interest to the respondents in this group (56%). Sales to businesses, funding opportunities, sales to end customers, and digital marketing are other topics of interest to entrepreneurs. Having in mind that in most of the cases these are experienced business owners with high self-esteem, the potential training/consultation support offered to this group should be carefully tailored to their specific needs.

4. BASE Graduates Who Gave Up the Idea of Developing a Business

Eighteen respondents (16%) gave up on developing their own business.

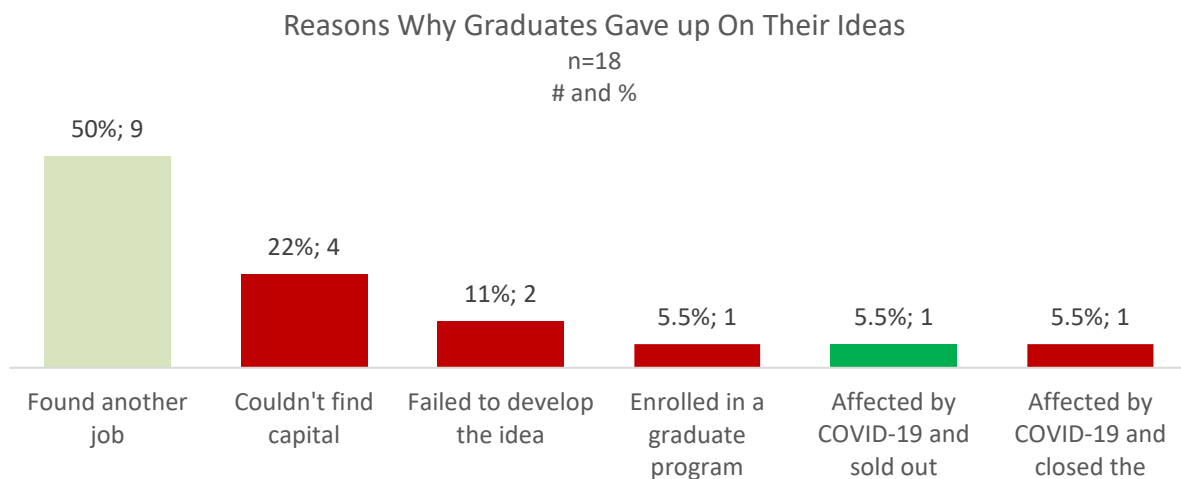
Chart 15.

Status of the Business Ideas of the 113 BASE Graduates Who Took Part in The Alumni Survey
and %



Fortunately, most of them, nine (50%), chose to do this because they found another job with good terms. Four respondents (22%) were unable to find the capital for the initial investment. Two respondents' businesses (11%) were affected by the COVID-19 pandemic and lockdowns, with one closing and one selling his business. The respondent who sold his business emphasized that BASE helped him set up a successful business which then allowed him to then sell it instead of closing it down.

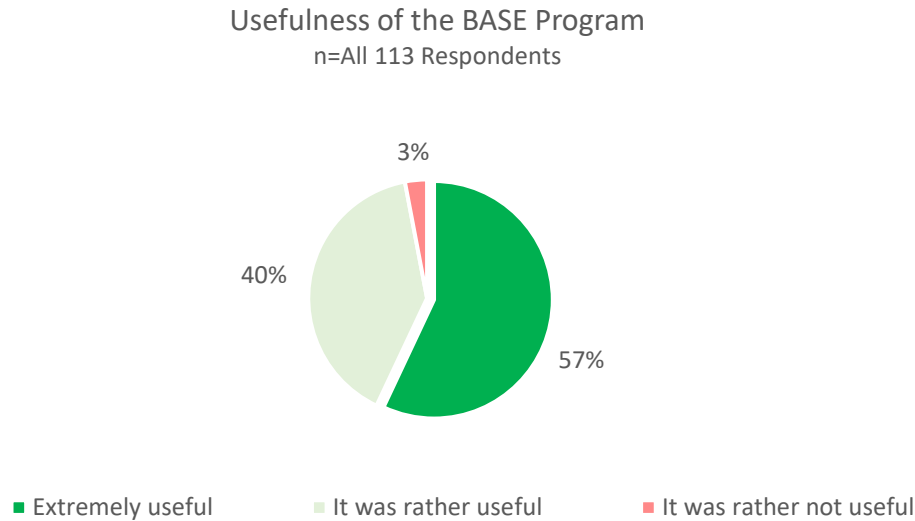
Chart 16.



5. Feedback on the Program

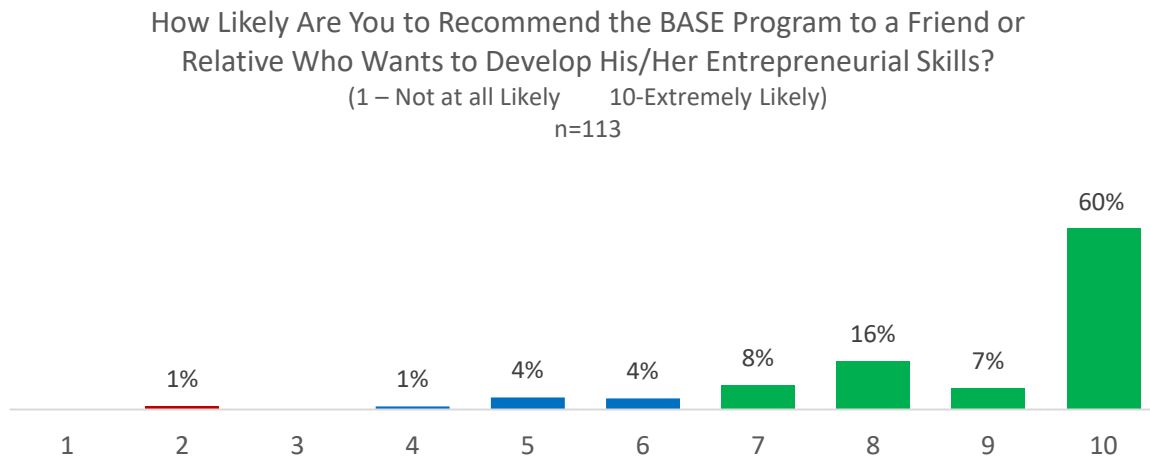
Overall, the alumni have a very favorable evaluation of the BASE program. All but 3% consider the program useful, with 57% of respondents considering it extremely useful.

Chart 17.



On a scale of 1-10, the majority (60%) rated the likelihood to recommend BASE to a friend/family member who wants to develop his/her entrepreneurial skills as 10. There are a few ratings below 6 (see the chart below). Several of the respondents who gave the lowest ratings felt that the program was not suited to their needs. Another one shared that she expected more individual approach on behalf of the lecturers, more practical exercises, and more case studies; she was also disappointed of the decision of the jury at end of the program, which, according to her opinion, gave a financial award to a participant who did not submit a presentation and financial plan and already had a functioning business with regular income.

Chart 18.

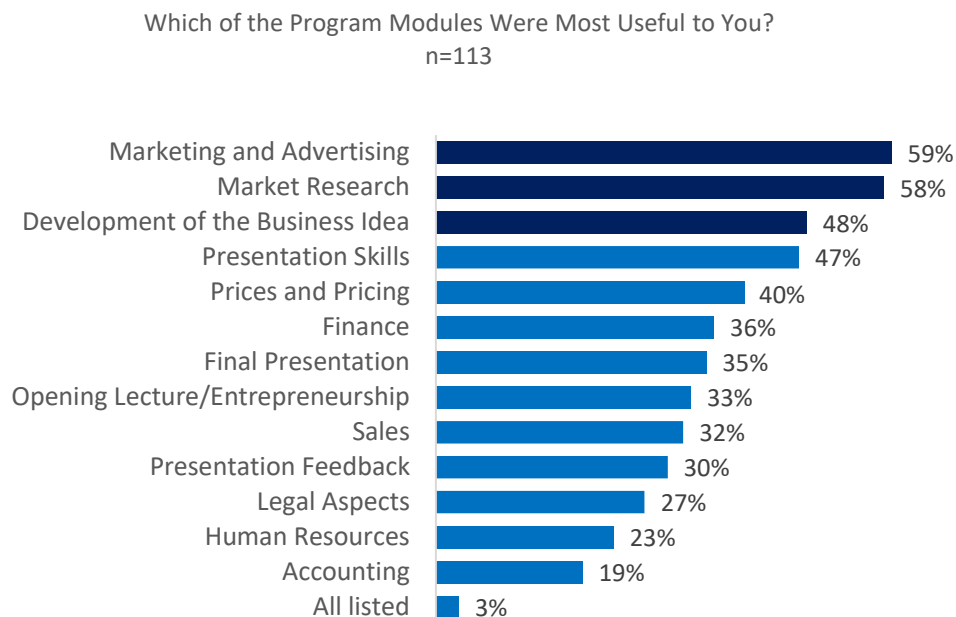


The graduates with businesses seem to value the program even more as all of them find it extremely or rather useful and 78% are willing to recommend it to a friend or relative.

Another evidence for the participants' overall positive feedback on BASE is the information that we got during the in-depth interviews with BASE graduates. Many of the interviewees shared that the program exceeded their initial expectations. Several even mentioned that BASE was the best training program that they have ever participated in.

The top modules rated as the most useful by respondents were marketing and advertising (59%), market research (58%), and development of the business idea (48%). In addition, the majority (90%) of respondents found the textbook to be a useful aspect of the training as well—45% rate it as 'rather useful' and another 45% as 'extremely useful'.

Chart 19.



When it comes to graduates' recommendations for improvement of the program, approximately two-thirds of the respondents (61%) indicated they had no suggestions for improvements. Of the participants with suggestions, the main recommendation, shared by 13% of the respondents, was to include more practical tasks and more case studies and examples (see chart below).

Here are some of the authentic recommendations provided by the respondents:

“More hands-on activities with some of the lecturers.”

“More exercises, cases, and situations from the business environment.”

“More practical tasks and examples.”

“How to present the services we offer in terms of building content. How to find your advantages over competitors and your strengths. More exercises. (...)”

“More practical exercises, opportunity lecturers to visit and advise companies of the graduates on site.”

Another recommendation that stands out is to design the training sessions in way that allows for lecturers to work more closely with the participants on specific issues:

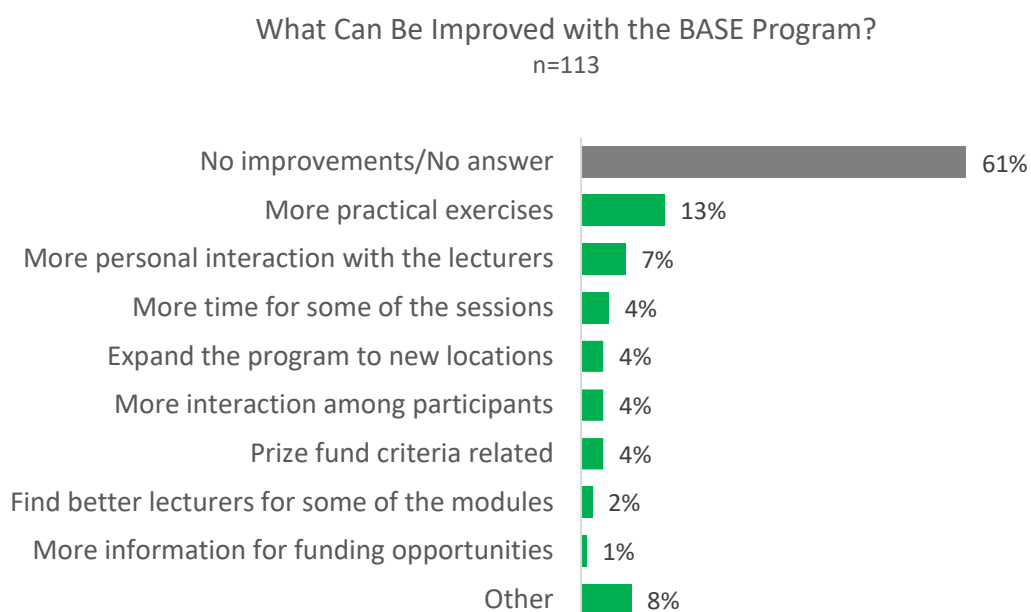
“There may be more practical orientation for participants to actively check with their mentors on their homework. Mentors should be more connected with the participants.”

“It would be good for the mentors to work with the participants from the very beginning of the training course, and not at the end.”

“(...) It will be very useful if we can work with mentors to give us guidance or have in-service training. You can also make a brainstorming group of several people in which to gather people and periodically discuss things how to improve something in their business and everyone to give suggestions and generate ideas.”

The following chart illustrates the recommendations given by the respondents grouped by category.

Chart 20.



6. Comparison Between BASE and Other Programs for Starting Entrepreneurs

We compared BASE to the programs of WIBO and the Community Investment Collaborative (CIC) in Charlottesville. BASE is tailored around WIBO's program and WIBO professionals assisted CIC to start its first training program in 2012, elaborating on WIBO's original model. BASE is a new program started in 2018, while WIBO has a 55-year history and CIC has been active for ten years. The three organizations use different measures of success, which makes the comparison challenging. Table 6. includes the data available, sometimes only for two of the programs. We analyzed what made sense and the paragraphs below summarize our findings

Table 6. Comparison Between BASE, WIBO and CIC

Category	WIBO	CIC, Charlottesville	BASE
Participation Fee	\$350; need-based scholarships available	\$750; need-based scholarships available	Free
Support After Graduation	WIBO Academy	Financing: micro-loans of up to \$35,000	Monthly workshops on different business-related topics for the participants in the mentorship program.
	Free Financial Counseling	Fin Management Program Mentoring	Mentoring of selected participants
	Free Business Counseling	Business Counseling Sessions: 1 hour for free	
	Alumni Association	Networking	Initial steps to build a network
The Program by the Numbers	1966-2021	2012-2021	The first eight cohorts (Spring 2018-Spring 2020)
# of graduates	18,627	397	196
Av. # of graduates per year	339	44	98
Graduation Rate	93% (1966, 1st cohort)	89%	71%
Volunteers	1,200	32	12
Number of Cohorts	N/A	18	8
Geographic Coverage	29 settlements in 8 states	Charlottesville	10 settlements all over Bulgaria
Indicators of Success			
# of new businesses launched	N/A	89	24

FTEs created per graduate	N/A	0.46	0.18
% of participants who start new business	N/A	22% (in 10 years)	10% (in 3 years)
% of graduates who expanded existing businesses	N/A	80% (data for the past 10 years)	25% (data for the past 3 years)

The Core Program: The three programs are similar in duration and content and differ in the structuring of the classes and training approaches. The top-down lecturing approach prevails with BASE compared to the participatory classes of WIBO and CIC with case studies, discussions, and ongoing mentoring. The final product is a comprehensive business plan for the three programs. BASE has the most simplified application process—a brief interview to check the candidates’ motivation to participate in the program. WIBO and CIC require application forms and interviews. BASE is the only free program. WIBO charges USD 350, CIC’s fee is USD 750, and both offer need-based scholarships.

Support for the Alumni: WIBO offers the WIBO Academy (online learning platform where participants can improve their entrepreneur knowledge and skills through advanced courses); free financial and business counseling; and building an alumni association. CIC offers micro-loans of up to \$35,000; financial management program (paid); mentoring; business counseling sessions; and networking. BASE piloted a mentorship program in 2021 and is analyzing the outcomes before expanding it in the fall.

Cost Comparisons:

Table 7. Cost Comparison

	CIC (10 years)	BASE (3 years)
Cost per Graduate	\$7,089	\$969
Cost per New Business	\$31,620	\$7,916

Where BASE does well: The number of BASE graduates in the first 2 years reveals the extensive nature of the program—reach out to as many people as possible. In two years, BASE graduates (196) constitute almost 50% of the number of CIC graduates in 10 years (397). BASE is doing well with the number of newly created businesses. If we extrapolate the current number (24) for ten years ahead, there will be 120 new businesses, substantially exceeding the 89 new businesses launched by CIC alumni. This happens at a reasonable cost—USD 969¹⁰ per BASE graduate (196) and USD 7,916 per new business. The comparison to the estimated cost of a CIC graduate of \$7,089¹¹ and the cost of USD 31,620 per new business launched by CIC graduates suggest that the BASE program is an efficient investment.

¹⁰ The average monthly salary in the private sector in Bulgaria in 2020 was USD 853

¹¹ The average monthly salary in Charlottesville, Virginia in Q2 of 2021 is USD 5,083

Where BASE Needs to Catch Up: BASE graduation rate is the lowest (77%) compared to the average of 89% for CIC and 93% for WIBO (data is for the first cohort only). The share of BASE graduates who launch new businesses, 10% (in three years), is much lower than the one for CIC—22% (in ten years). This might be explained with the less rigorous selection of the applicants. This lower share, coupled with the very short period of the program existence, results in over 2.5 times lower number of FTEs created by BASE per graduate – 0.18 FTEs compared to 0.46 FTEs for CIC. Only 25% of the BASE graduates with existing businesses managed to expand them (in three years) against 80% of the CIC alumni who did it in 10 years.

BASE still lacks some of the well-developed instruments for on-going support that WIBO and CIC offer to their alumni. One possible solution might be to expand the pool of volunteers beyond the lecturers and provide one-to-one assistance to the businesses.

V. Conclusions

- ABF has managed to create a training program for starting entrepreneurs that is **highly valued by those who have participated in it**. All but 3% consider the program useful, with 57% of respondents considering it extremely useful. In addition, on a scale of 1-10, the majority (60%) rated the likelihood to recommend BASE to a friend/family member who wants to develop his/her entrepreneurial skills as 10.
- The program has **unique value-added for smaller settlements** such as Etropole (11,479), Panagyrishte (23,110), and Mirkovo (2,381) to mention a few, where such training opportunities are lacking.
- The most useful modules of the program were **marketing and advertising (59%), market research (58%), and development of the business idea (48%)**. The **exchange of experience with lecturers** that run businesses on a similar scale and **the information for available funding for small businesses** were other aspects of the program that were particularly useful for the participants. As to the BASE textbook, most respondents found it to be a useful training tool as well.
- The expectations for the number of newly started businesses one year after the participants' graduation from the program **turn out to be overly ambitious**. 10% of the surveyed BASE graduates started their first business after the BASE training, which is 12% lower than the average target for the first eight cohorts (22%). Part of the explanation is the lower standards for admission to the program in the first cohorts. By increasing the rigorousness of the selection process, the program might achieve better results in terms of new businesses started.
- Close to **one-fourth of the BASE graduates in our sample (24%) have businesses that realize sales**. These alumni run a total of **34 different businesses** and have created **38 full-time jobs**¹² (20 of them were created after the program) and **46 part-time jobs**¹³.

¹² Owner/co-owners or the family members working for the business including.

¹³ Owner/co-owners or the family members working for the business including.

- We identified three types of BASE graduates with business: *Graduates Who Have Hobby Projects with Sporadic Revenues*, *Graduates with Small Businesses with Growth Prospects*, and *Graduates with Established Businesses*.

The businesses in the ‘*Small Businesses with Growth Prospects*’ category were started just before BASE or shortly after the program. For **more than 64% of the alumni in this group, the revenues generated by their businesses provide 50%+ of their personal monthly income**, which is a good indication of the importance of those businesses for the standard of living of their owners. **For almost half of them, the program experience made a huge difference and contributed a lot to the development of their business ideas, which we consider the biggest impact of the program.**

Another one-third (33%) of the BASE graduates fall into the ‘*Graduates with Established Businesses*’ category. Those participants run companies that were started long before the program and have already invested significant resources in the development of their business ideas. **Nevertheless, the program contributed to development of the business ideas of most of the alumni in this group as well.**

The graduates in the third category, ‘*Graduates Who Have Hobby Projects with Sporadic Revenues*’ (30% of all alumni with businesses) have full-time jobs and work on their business ideas when time permits. The revenues of these businesses are below \$3,600 per year, which means that the financial contribution of these businesses to the standard of living of their owners is insignificant. **These ideas have little chance to become sustainable businesses.**

- **The top-down lecturing approach prevails with BASE** compared to the participatory and discussion-based classes of WIBO and CIC. **BASE is designed to reach out to as many people as possible.** In two years, BASE graduates (196) constitute almost 50% of the number of CIC graduates in 10 years (397). **BASE is doing well with the number of newly created businesses in comparison to CIC.** If we extrapolate the current number (24) for ten years ahead, there will be 120 new businesses, substantially exceeding the 89 new businesses launched by CIC alumni. **This happens at a reasonable cost—USD 969¹⁴ per BASE graduate (196).** The comparison to the estimated cost of a CIC graduate of \$7,089¹⁵ suggests that the BASE program is an efficient investment.

However, the **BASE graduation rate is the lowest (77%)** compared to the average of 89% for CIC and 93% for WIBO (only for the first cohort). **The share of BASE graduates who launch new businesses, 10% (in three years), is much lower** than the one for CIC—22% (in ten years). The lower share, coupled with the short period of the program existence, results **in over 2.5 times lower number of FTEs created per BASE graduate—0.18** compared to 0.46 for CIC.

¹⁴ The average annual salary in the private sector in Bulgaria in 2020 was USD 853

¹⁵ The average monthly salary in Charlottesville, Virginia in Q2 of 2021 is USD 5,083

Recommendations for Improvement and Ideas for Follow-Up Support to BASE Graduates

- The program could be improved by adding more **practical tasks, case studies and exercises** to the training curriculum. Several graduates suggested that the lecturers should work **more closely with the participants on the specific business cases**. Another idea is to allocate **more time for group work** so that participants could interact and exchange know-how among themselves.
- Several alumni showed interest in participating in a **mentorship program**. The BASE Mentor Team might consider offering the mentorship program to all graduates and select the participants through an application process.
- Another suggestion for ongoing support is to provide an opportunity for **one-on-one consultations with experts or entrepreneurs from various fields**, based on the needs of the business owners. Several graduates suggested that **experienced entrepreneurs could visit graduates' businesses on site** and help them improve their business operations.
- **Sales to businesses, funding opportunities, ads and marketing, and sales to end customers** seem to be the topics that businesses are most interested in terms of additional training and consultations. **Training courses on these topics** is another follow-up support that could be offered to the BASE alumni community.

Recommendations to ABF

- Even though BASE did not reach some of its targets for the first eight cohorts, it **fills in a real need in the country** and enjoys the recognition of its usefulness by most of the participants. Therefore, we recommend the continued investment in new cohorts, while **carefully choosing the implementing partners**. Outsourcing the management of the program might be a necessary step as well.
- Studying the status of the business ideas of the BASE graduates of the first eight cohorts might not be sufficient to generalize some of the conclusions. Therefore, we strongly recommend repeating the study two years from now to **track the sustainability of the currently active businesses and business ideas as well as to explore the status of the businesses of the pool of next relevant cohorts**. The findings of such a study will supply more data, some of it longitudinal, and will provide more evidence as to the program achievements.
- Judging by the experience of comparable programs in the U.S., ABF might consider testing online courses in times of pandemic and **strengthening the admission process** to make sure that the program really provides opportunities to those who have the strongest motivation to start or expand businesses.