



Entrepreneurship Program Background and Update

January 2016

Relationship Between Entrepreneurship and Education

Haiti's Education Problems

- **Access:** Education is expensive. Only 12% of primary schools are public. Almost all the rest depend on parent-paid tuition. Many children aren't able to attend regularly or at all because their parents lack the means. Even when children do attend, schools lack materials and underpaid teachers lack motivation and are often absent.
- **Education Paradigm:** Traditional Haitian education rewards conformity while stifling creativity and critical thinking. It relies on shame, reinforces class distinctions and inhibits collaboration. It promotes authoritarian leadership and sets the stage for abuses of power.
- **What Comes After School:** Haitian education neither prepares students to succeed in the job market, nor does it equip students with the entrepreneurial skills that they need to make their way in a country with only 200,000 formal jobs.

Our History - For many years before Haiti Partners was founded several staff members, working with [Beyond Borders](#), developed Circles of Change¹ and adapted Lectio Divina with the long-term goal of changing the leadership and educational paradigm. Hundreds of Haitians were trained and tens of thousands have participated in seminars using these methods. These efforts helped advance collaborative and peer-to-peer practices in Haiti and allowed us to create productive teams that have years of experience working together. While we were pleased overall with fruit that was borne from these programs, creating Haiti Partners in 2009 reflected our conclusion that to better advance a mission of *helping Haitians change Haiti through education* we needed to go deeper with individuals and specific communities.² By narrowing our focus on Children's Academy and several partner schools and by providing in-depth accompaniment with Micah Scholars, we're striving to create successful examples of

¹ View this 3-minute piece from a [Circles of Change training video](#)

² [Riddell and Moore 2014 Report McConnell Foundation](#)

transformation that directly address economic challenges³ and which demonstrate collaborative leadership and a commitment to lifelong learning.

Moving Forward - We've gained important experience creating social businesses that nurture learning. Now, by integrating entrepreneurship into the curricula for all our students, we are working to equip young people with skills to create their own jobs and build successful businesses and effective institutions. We are working to inspire and prepare Haitians to succeed as changemakers.

Entrepreneurship Program

Purpose statement: ***Inspire and prepare Haitians to succeed as changemakers.***

Objectives:

1. Help students learn entrepreneurial and cooperative skills and values.
2. Provide students practical tools to start businesses and cooperatives and to create jobs.
3. Prepare students to generate, budget and manage income.

Outcomes and updates:

1. Identify appropriate long-term curriculum partner(s) that can help bring tested and proven curricula and resources.

Through our pilot activities (described below) as well as through research, we have evaluated a number of possible partners including Junior Achievement, ASHOKA, Fonkoze, Plant With Purpose and Making Cents and others that provide training products. We have been carefully assessing alignment to our values, reviewing costs for licenses, and ensuring a quality product to guarantee whatever we use will meet long term needs.

2. Develop/adapt two well-thought out, thorough, and culturally sensitive entrepreneurship curricula: one for use with kindergarten through primary students, a second for youth and adults to be used outside of the formal school setting.

So far, our approach to entrepreneurship education for Pre-K and primary students is to find methods that both prepare them for project-based education as they get older and to also encourage the dispositions students will need to be successful as future

³ In 2009, with the goal of encouraging and promoting Haitian solutions to education problems, we created, with support of Vista Hermosa Foundation, [a 25 minute video](#) called Solisyon Natif Natal (Local Solution), telling the story of a remote Haitian school where parents worked together through social businesses to make education possible for their children.

entrepreneurs. With this in mind, in November we began piloting at our Children's Academy a teaching approach called *centers*, which is relatively common in US but not so in Haiti. In this approach, students work independently or collaboratively with other students and teachers change roles from being solely responsible for student activity to playing a supporting role as students learn to take responsibility for their own educational activity. This approach is showing promise in teaching young students about identifying and following their interests, cooperating with others, and taking responsibility for their own learning. With the help of a seasoned American teacher spending six months a year in Haiti with us, we'll continue to support our Haitian teachers as they gain skill in using the *centers* approach. We'll integrate financial education in coming months and explore other activities that nurture entrepreneurship dispositions.

3. Develop and implement 4 pilots to test the curricula: one with students at the Children's Academy, another with students at a partner school, a third with youth and adults in the community surrounding the Children's Academy, and a 4th with Micah Scholars and partner churches.

In October we started a 10 week entrepreneurship training pilot for 7 young adults at the Children's Academy. The training was led by a university intern in English with support and oversight from Haiti Partners staff. Topics covered included identifying community needs, competitive advantage, market research, growing your business, creating a business plan, and identifying and addressing ethical issues. The pilot also involved a savings program through which students saved an agreed upon amount every week, in this case 100 gourdes (\$2). To encourage consistent and reliable savings, double matching funds from Haiti Partners were awarded to those who completed the class and all savings installments successfully. At the end, students developed simple businesses plans they could execute using the funds they had saved during the pilot.

On December 10, we awarded 6 students certificates for completing the pilot program. Their business ideas include soap making, poultry farming, goat farming, and selling telephone minutes. In all cases, students identified local needs and formulated a plan to meet them. This team of pilot students will continue to meet at least weekly to support one another. We hope to identify mentors that can work with each team member.

We are pleased with the way this initial pilot went and will be following students' progress with their businesses in the spring. We will be integrating this team into evaluation of [Making Cents](#) curriculum that Fonkoze translated into Haitian-Creole and tested with Save The Children and has given us permission to use.

The students are currently receiving support from a recent graduate of University of Southern California who majored in business and accounting. He's volunteering with us for one month.

4. As part of the pilots with youth, adults, and Micah Scholars, encourage and support the creation of Village Savings and Loan Associations (VSLs) that will help participants acquire the capital they need to implement their own projects.

Five groups have been established and are initially successful. Three are using the Plant With Purpose VSL material under support of Micah Scholars and two at Children's Academy--a parent group of 25 and a teacher/staff group of 25--are using the Fonkoze VSL approach.

We're developing a more formal partnership with Plant with Purpose to train 3 Micah Scholars to provide long-term accompaniment, coordination, and evaluation. An additional 3 VSLs supported by Micah Scholars are in the works and two more groups at Children's Academy will soon start. All members (about 100) of five functioning VSLs are contributing weekly to the group's common pool. The groups are managing money under strict and transparent controls and developing and refining self management techniques.

VSLs work through members accumulating savings by pooling weekly contributions into a loan fund. They can then apply to the group to borrow these funds to develop small businesses, invest in their farms, provide for their children's education, pay for health care costs, etc. Our groups, implementing the proven VSL model adapted to Haiti by Plant With Purpose and Fonkoze, are guided by principles of transparency, respect and accountability. Worldwide, these groups have over 11 million members, have the highest repayment rates in the microfinance sector, and nearly 90% remain in operation 5 years after the initial setup.

5. Identify and cultivate a diverse base of foundation and corporate donors interested in supporting this project into the future.

We are pleased with steps made toward accomplishing goals. Communicating vision, strategy and progress of our Entrepreneurship Program will receive much focus over the next 6 months. We'll create a short video to tell the story in February 2016. In spring our Entrepreneurship Program Grant Project Manager will be attending Social Innovation conference at Yale and WorldBlu event with John Engle in Miami. Perhaps what's been most promising in terms of garnering support is a group of US-based entrepreneurs and business people who are investing time and energy with us. To date, they are particularly interested in exploration of an artisan paper making social business, which could be

driven by labor of parent service hours at Children's Academy and Learning Center. [Click here to learn more.](#)

Social Businesses

Background

Together with key partners, we created three social businesses: two poultry businesses and a bakery. We contracted a partner organization for 18 months between 2011 and 2013 to lead the way in creating three separate business plans in cooperation with leaders of our partners schools and Children's Academy and with the agreement that the partner would provide funding and ongoing technical support. A professional with our partner organization worked with locals involved with our schools to form three separate cooperatives to manage these businesses. The goals of the social businesses were: 1) generate funds to help cover school operating budgets, 2) create a can-do, entrepreneurial spirit among all involved including the students and teachers of the schools and, 3) create jobs.

With the many challenges in post-earthquake Haiti, it's not surprising that the businesses took longer than anticipated to open. Securing land for the two poultry farms once business plans were completed and funds were available was enormously time-consuming. There were numerous delays in construction at all three sites. Obtaining legal status as cooperatives, opening bank accounts, etc., was also time consuming. (Issues like these are the reason Haiti is ranked 180th out of 189 countries by the World Bank in terms of ease of opening a new business.)

COPRABEP, the poultry farm on La Gonave, opened in January of 2014. The HAJICA poultry farm in Leogane opened in May of 2014. And the Babou bakery (CPBM is the name of the cooperative responsible for the bakery) opened in Bawosya on Children's Academy property in December of 2014.

Throughout the process of developing the business plans and budgets Haiti Partners staff and members of the three cooperative board of directors expressed concerns to the partner we contracted to lead the way in creating plans. We felt that we were getting in over our heads with businesses that we knew nothing about. Haiti Partners and the boards of directors of the three cooperatives made certain that the loans received would be unsecured and that neither individuals nor Haiti Partners would be liable for them. Members of the three boards of directors, which included Haiti Partners representatives, moved forward in good faith signing off on terms to receive major loans and one grant based on our partner's commitment to support us and provide necessary technical expertise. Once the three businesses were open, we discovered that many assumptions about the operating costs and market conditions were incorrect. We had already learned the same about start-up cost projections. Our partner organization also went through significant change and all the people we worked with ended up leaving.

Despite this challenging background, we are currently encouraged that: 1) our partners have taken a posture of shared responsibility for things not going as planned and, 2) crucially, there's no suspicion of employee theft or corruption at any of the three businesses. We're working together with our partners toward finding best possible solutions to move forward.

Update on Three Social Businesses

We have learned a great deal through the process of establishing these three social businesses. It's helping us think through how to equip our students in entrepreneurship as we focus on education and how to teach entrepreneurship skills and attitudes.

Babou Bakery (CPBM, Bawosya)

On the property of Children's Academy and Learning Center (owned by Haiti Partners) we built and equipped a 2,500 square foot building and our bakery began functioning in November 2014. After six months we had to close it as we found that we couldn't compete on price with bakeries that use substandard ingredients and burned non-sustainable wood to heat their ovens. We tried to create a higher-end bread that had better margins but the cost of getting it to market with the bad road conditions turned out to be too expensive. Another bakery partner is planning to take over management of our facility beginning in July 2016 for a two to three month trial period. If they believe they can succeed, we will come to an agreement on a lease amount, which will help to pay off the debt owed with a portion of it going to the Children's Academy's operating budget. If it's determined it's not viable with the experienced management team, we will repurpose the space.

New Social Business Possibility

We are currently exploring a new social business of greeting cards and other artisan paper products made by parent volunteers. We have received encouraging feedback from Haitian craft wholesalers, retailers and from members of our advisory group, which is comprised of US-based entrepreneurs and other business people volunteering their time with us. It includes people who believe they can help make and market products. We are seeking an entrepreneur who can commit to working with us on this project. Click [here](#) for link to [job announcement](#). [Click here to learn more about this project](#). There is a potential church partner that has expressed interest in helping us with start up costs to the tune of approximately \$10,000 - \$15,000. If we end up leasing the bakery, this could function on the 2nd or 3rd floor of the bakery building. Or, if the other partner is unable to make the bakery work, then this paper business could potentially take over the bakery space.

HAJICA Poultry Farm (Darbonne)

Though HAJICA - the larger poultry business - has challenges, it's functioning relatively well. But at this point it is not making enough profit to make loan payments. Our largest customer is the new Marriott Hotel in Port-au-Prince. We are exploring possibilities with an interested party that has been in the poultry business in Haiti for decades. We are negotiating if this experienced outfit were to take it over as to what portion of the rent they would pay would go toward debt repayment and toward helping cover our partner school operating budgets. It's also possible that the farm will not be rented out and current management team will stay in place and strive to continue to increase efficiency and profits. Ideally, the debt will be forgiven. If so, within one year, based on current projections, HAJICA would be providing each of the four partner schools with several thousand dollars annually.

COPRABEP Poultry Farm (Island of La Gonave)

COPRABEP is still functioning and being run by founder of our partner school in Bel Platon. Another person serves as principal of the school but the founder continues to play a major leadership role and owns the building and property where it's located. Like HAJICA it is not making enough money to pay off debt. Challenging economic conditions on the Island of La Gonave (which were not adequately accounted for in the initial business plan), combined with us not having experience in running poultry farms, as well as COPRABEP's dysfunctional board of directors, are all part of the challenges. Exploration is taking place with the Haitian Ministry of Agriculture to make the poultry farm become a center for food production: poultry, goats, gardens, etc. Haiti Partners staff member, Benaja Antoine, will be resigning from its board of directors. In spite of all the challenges, it's great to see that the poultry farm on La Gonave is still functioning and that its benefitting our partner school in Bel Platon. Haiti Partners' ongoing financial support of Bel Platon is conditioned upon receiving regular financial reports from Bel Platon school founder.

Lessons Learned

1. A lead entrepreneur is essential - Businesses function best when they are run by an entrepreneur who is extremely knowledgeable about the business. The entrepreneur must lead in both the creation of the business plan, which needs to include rigorous market research, and also in its execution.
2. Knowledgeable advisory board - We need the wisdom and insight from an advisory board of dedicated, respected, knowledgeable people who bring with them significant experience and expertise of the sectors we're exploring.
3. Importance of risk management - While things didn't go as planned, we're happy with the way we managed these projects. We feel we've been good stewards of donor money: funds received from Haiti Partners donors go 100% to education, and the only donor money that went to these businesses was from designated gifts by a few large donors

who were well aware of the risks. We were able to try something risky, but with full transparency with our partners. We've not jeopardized Haiti Partners. And, we are optimistic that the original goals of creating social businesses that generate revenue to help cover school operating budgets will be accomplished.

Conclusion

With the experience and insight we've gained, we are creating learning environments that prepare Haitians to succeed in their lives and inspire them to become changemakers in the world. We believe that the Entrepreneurship Program is and will continue to create successful examples that impact deep cultural roots. Truly successful examples have power to change individuals, institutions, communities, and countries. We're both humbled and honored to be a part of this big vision.