

# Using the MSD approach for digital transformation

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**DCED**

The Donor Committee for Enterprise Development

9th June, 2022

# Objectives of the #Digital4MSME report

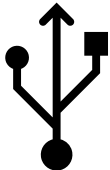
-  Digitalisation of MSMEs is mostly overlooked
-  Digitalisation services – an emerging market with great importance (Covid-19 pandemic)
-  Not many MSD projects out there (particularly in Sub-Saharan Africa)
-  Show 6 case studies as practical examples
-  Provide some first actionable guidance through an MSD lens



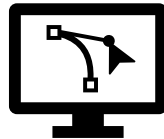
# Benefits of Digitalisation for SMSEs

 Digital solutions affects MSMEs across all business segments

**Digital Inclusion  
and Informality**



**Within-firm  
Productivity Gains**



**More Supply Chain  
Integration & Better  
Access to Markets**



**Equal Access to  
new or better  
Support Services**



# The market for Digitalisation services

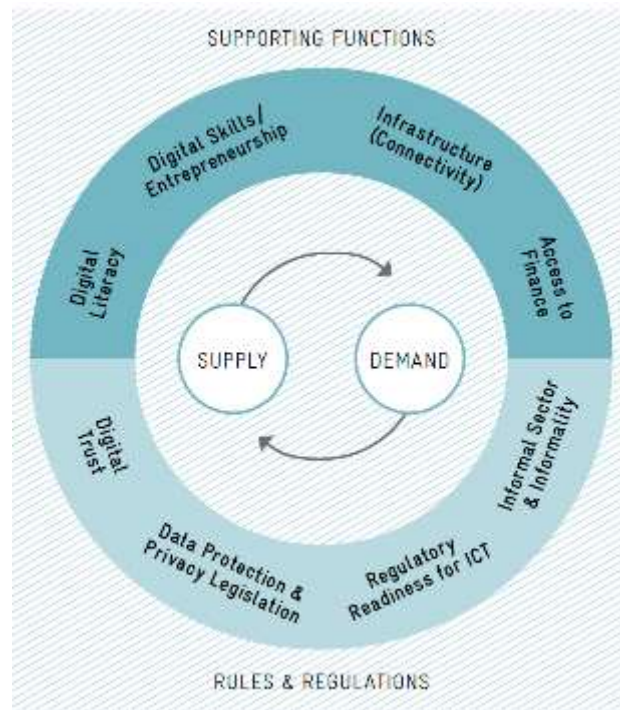
## Supply Side

### Type of Digitalisation Services

- Advisory & information services
- Market linkages
- Digital financial services (DFS)
- Digital supply chain management

### Suppliers:

- Schools / Universities / Digital Training
- Private-sector-driven Technology and commercial BDS Suppliers



## Demand Side

- Digital Connectivity and Device Ownership
- Registration for D4Ag Solutions
- Technology Usage



# Reflection Points: Intervention Design



**Act as *Facilitators* and take market-driven approach towards digital transformation**



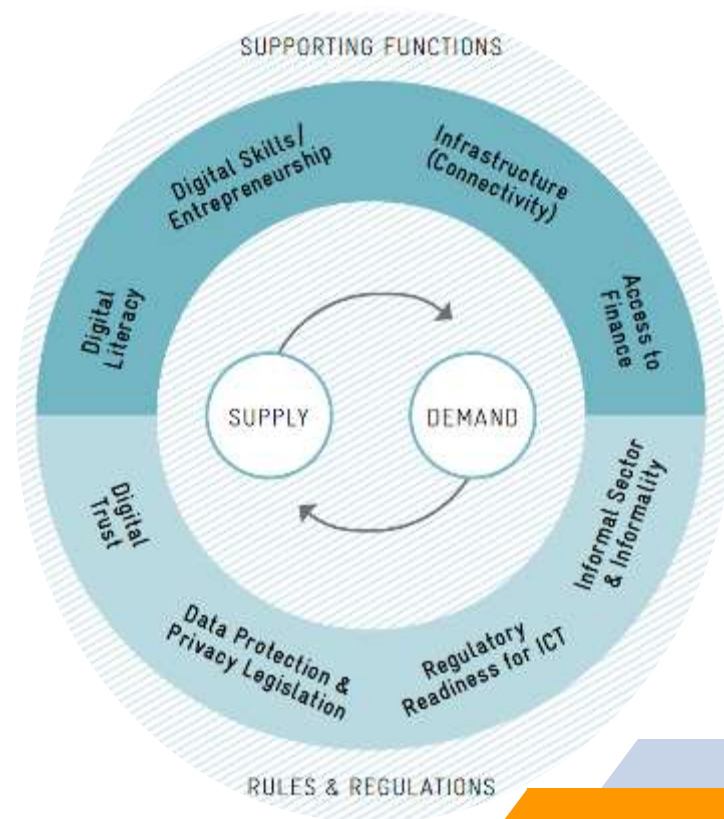
**Be solution-driven, not technology-driven!**



**Contextualisation and demand matters**



**Gain deep understanding of the *pricing and delivery models* for digitalisation services**



## Reflection Points: Intervention Design (2)



### **Simplicity first!**

*The adoption of 'basic' technologies - emails, websites and office software packages - can already bring far-reaching and transformative changes.*



**No wins without engaged or active users!**



**Digitalisation rarely happens on its own**

# BEAM Webinar

A webinar on Tuesday, 5<sup>th</sup> October 2021

[beamexchange.org/community/webinar/digital4msme-webinar/](https://beamexchange.org/community/webinar/digital4msme-webinar/)

The team presenting (including Eric, an ITC beneficiary startup founder in Uganda, and Maximilian, lead author of the report):



**Maximilian Schulz**  
Senior MSD  
Consultant



**Eric Nana Kwabena Agyei**  
Managing Director  
MobiPay Uganda

Thank you

Download the full guidance from  
BEAM Exchange:

[beamexchange.org/resources/1493/](https://beamexchange.org/resources/1493/)





# Training donor staff in the MSD approach

**Elisabet Montgomery, Sida**



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## Next e-Learning programme

The Market Systems Development for Donors e-Learning programme is now open for applications. It starts in September 2022.



Agora Global



*Systemic change for inclusive development*

# Using the MSD approach in fragile & conflict affected settings

**Mike Klassen, DCED Secretariat**



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# A process for wider and deeper engagement

- **Process:** consultant + 2 advisory groups
- **Output:** 2 policy briefs (donor & implementer)
- **Webinar:** recommendations through stories
- **Follow-on workstream:** supporting agency-specific action groups to build bridges

