Sanitation Enterprise Viability and Sustainability Diagnostic Toolkit (Struggling – Mid-Stage Program)

You are a sanitation development program implementer, 2-3 years into an MBS program, working with partner sanitation enterprises selling toilets. Do any of the below describe your situation?

- You have some enterprise partners but are facing challenges in recruiting more entrepreneurs.
- Your partners are present in some districts/ counties/ communes, but expanding to more geographic areas is slow.
- Entrepreneurs report low sales.
- Some entrepreneurs are losing interest and closing their businesses.
- You do not have enough insight on factors influencing their sales and profitability.

If you are contending with any of the situations mentioned above, then your program needs to:

- Improve performance of low-profit enterprises
- Reduce enterprise exit rates

How to Identify Your MBS Program’s Situation?

MBS programs can identify with a situation by answering three key questions:

1. How do enterprises’ average toilet sales compare with their market size (i.e., unserved households)?
2. Are the majority of enterprises continuing in or exiting the market?
3. What is the program's depth of understanding of factors impacting enterprise profits?

Programs with low average sales, many enterprises exiting, and limited knowledge of profit factors will typically be 'Struggling.'
Guidance on Priority Modules for Struggling MBS Programs

The toolkit consists of four modules, and as a struggling program, you should look into:

1. Conducting preliminary research (depending on your understanding of how enterprises track sales & profits)
2. Understanding current performance
3. Identifying factors to improve viability
4. Assessing sustainability

Enterprise Viability & Sustainability Diagnostic Toolkit Modules

We recommend that you go through all the modules because,

- Understanding current performance and factors to improve viability identifies causes of both variation in enterprise performance and high exit rates, and provides a basis for remedial measures
- Assessing sustainability is equally important as the program has limited time left to support enterprises
- In-depth viability and sustainability research will require preparation

Note: Module 1 is optional if the implementer understands the type of products sold by enterprises and how they track sales and costs. We recommend the exploratory research phase, primarily to sharpen data collection.

Contents of the Modules

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