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

You are a sanitation development program implementer, 4-6 years into an MBS program, working with partner sanitation enterprises selling toilets. Do any of the below describe your situation?

- You have a few sanitation enterprise partners
- Your partners are present in districts/ counties/ communes, but enterprise coverage should be widespread by this stage
- Entrepreneurs report low to medium sales
- Many entrepreneurs have lost interest and shut down enterprises
- You have little insight into the factors impacting their profitability

If you are observing any or all of the situations mentioned above, then your program needs to:

- Improve performance of low-profit enterprises
- Assess and ensure sustainability after the end of the program

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 focus on:
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
- Ensuring sustainability is critical as the program approaches its end
- 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

<table>
<thead>
<tr>
<th>Detailed Guidelines to implement each activity that is part of the module</th>
<th>Sample Templates and Examples for select activities</th>
<th>Data Requirements for each activity</th>
</tr>
</thead>
</table>

Download the toolkit at globalwater.org