

# INNOVATION CHALLENGE

LEARNING REPORT

ybi | Youth  
Business  
International



# CONTENTS

- 03 Foreword
- 05 Acknowledgements
- 06 Executive summary
- 08 The Innovation Challenge process
- 10 The ideas
- 12 The finalists
- 19 Lessons learned



# FOREWORD

## Foreword from Youth Business International

Youth Business International is a global network of expert organisations in over 50 countries, supporting underserved young people to turn their ideas into successful businesses, create jobs and strengthen communities.

We believe in the power of a network approach, which we use to connect our members across regions and globally to share expertise and collaborate on solutions to common challenges. As part of this, we support our members to innovate, generating new services and products that better respond to the emerging needs and interests of the young entrepreneurs they support.

We are excited to have launched our first Innovation Challenge in partnership with Accenture and IDB Lab. We hope that this initiative facilitated a deeper understanding of innovation processes and incentivised collaboration across the YBI network.





## Foreword from Accenture

Innovation is at the heart of what Accenture brings to its clients—and to people and communities around the world. Against a background of high levels of youth unemployment and the changing world of work, we are innovating to offer more opportunities to more people.

We recognise that in order to achieve impact at scale, working closely with our committed partners and NGOs to collaborate and embrace new technologies is fundamental.

As a long-time partner of Youth Business International through our Skills to Succeed initiative, we know first-hand about the important role innovation plays in enabling support organisations to generate new services and approaches that better respond to the evolving needs of young entrepreneurs.

We are proud to have supported Youth Business International's inaugural Innovation Challenge, and are pleased to see how such initiatives are incentivising members to harness the power of innovation to create new scalable solutions that tackle youth unemployment globally.

We know there is a wealth of innovative ideas and approaches across the Youth Business International network. We are delighted to support the development of these ideas into solutions that will help close the skills and employment gaps for marginalised youth around the world.

# Acknowledgements

We would like to take this opportunity to thank our Innovation Challenge partners, Accenture and IDB Lab. A special thank you goes to our judging panel who helped us review entries and to the innovation experts who offered support to our members at every step of the way.

## Judging panel



**Hannah Mansour**

Accenture Global Corporate Citizenship  
Innovation Lead, Accenture



**Maritza Vela**

Private Sector Project Specialist,  
Inter-American Development Bank



**Dianne Cornes**

Director of Network Members,  
Youth Business International



**Bob Dorf**

Expert Consultant in  
Customer Development

## Innovation experts



**Nayib Abdala**

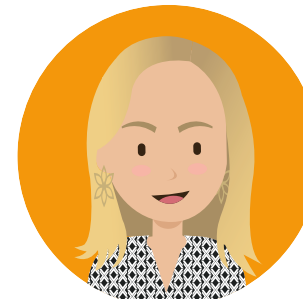
Entrepreneur



**Bob Dorf**

Expert Consultant in  
Customer Development

## Project lead



**Carol Appel**

Head of Innovation and  
Entrepreneurship Training  
Youth Business International

# EXECUTIVE SUMMARY

This report shares an overview of the first Youth Business International Innovation Challenge. It outlines the process we undertook and the ideas submitted; the results achieved by the two Challenge winners; and the lessons learned.



## The Innovation Challenge aimed to support members and experts in youth entrepreneurship to ideate, test and develop cutting-edge products and services that have the potential to scale.



More broadly, we hoped the Innovation Challenge would help foster a culture of innovation across the network.

In a consultation in 2017, YBI members identified improving their services to meet the changing needs of young entrepreneurs as a priority. With this in mind, we developed the following Challenge question:

*“How can we improve support services for young entrepreneurs in mentoring, training, access to finance and/or access to markets, creating ground breaking products and services with potential to scale?”*

11 applications were received, six were shortlisted and two were selected as winners. The selected ideas were:

- “Mão na Massa”, an application that provides practical, gamified guidance to early stage young entrepreneurs;
- “My Youth Business Market”, an online community for young entrepreneurs interested in cross-border trade.

The winning teams were awarded a cash grant of USD \$40,000 and support from innovation experts. These teams initially had three months to develop and launch their products. While one product has launched, the other is still in development. We will draw on the valuable lessons learned from the overall process to develop the next Innovation Challenge in spring 2019.

## The Innovation Challenge process

### Stage 1: Open call (May - June 2018)

YBI members were invited to submit applications with the following support: webinar briefings to clarify the application, selection, implementation and reporting processes; and Innovation Clinics with innovation specialists who provided support throughout the problem investigation stage. Individual and group clinics were held.

### Stage 2: Selection process (July 2018)

The selection process was comprised of three phases:

#### Phase 1:

Review applications based on the entry criteria. 10 out of the 11 applications received went through to the next phase;

#### Phase 2:

In-depth interviews held to explore the selection criteria in more detail, after which six finalists were selected to go through to the final phase.

#### Phase 3:

The two winning ideas were chosen through a two-step process. First, members selected the projects they thought would have the most value to the network through an online vote. Then the judging panel undertook a thorough examination of the ideas with a focus on potential project impact and scale.

### Stage 3: Idea implementation (September 2018 - January 2019)

The two winning ideas received USD \$40,000 each to implement their ideas, alongside support from innovation experts to help guide them through the process of developing a minimum viable product.



## STAGE 1

Open call for applications from YBI members  
(May - June 2018)



Selection process (July 2018)

## STAGE 2

**Phase 1**

Applications review

**Phase 2**

In-depth interviews

**Phase 3**

Selection panel and  
member voting



## STAGE 3

Two winning entries received USD \$40,000 and 12 hours of expert support from Bob Dorf to implement their ideas (September 2018 - January 2019)

# THE IDEAS



## Innovation Challenge entries

### YO QUIERO YO PUEDO (Mexico)

**Idea:** Centro de Negocios Yo Quiero Yo Puedo

**Area:** Access to markets, Training

**Description:** A business centre that integrates physical and virtual services to support entrepreneurs in gaining access to new markets.

### ACCIÓN EMPRENDEDORA (Chile)

**Idea:** Mercado AE

**Area:** Access to markets

**Description:** A marketplace for micro and small businesses.

### CORPORACIÓN EL MINUTO DE DIOS (Colombia)

**Idea:** Marketing para todos

**Area:** Access to markets, Training, Mentoring

**Description:** An online platform that brings together training and mentoring solutions focused on Access to Markets.

### ACCIÓN EMPRENDEDORA (Chile)

**Idea:** BanAcción

**Area:** Access to finance

**Description:** An online platform that allows entrepreneurs to connect with investors and financial institutions, speeding up the access to finance process for young entrepreneurs.

### BHARATIYA YUVA SHAKTI TRUST (India)

**Idea:** Mentor

**Area:** Mentoring

**Description:** An application-based digital platform which enables mentors from any sector to interact and network.

### IDEIALAB (Mozambique)

**Idea:** B!Up

**Area:** Access to markets

**Description:** A virtual platform for entrepreneurs to network, engage in peer learning, develop new partnerships, and exchange resources to grow their businesses.

### KIZ (Germany), YOUTH BUSINESS SPAIN (Spain) and FUTURPRENEUR CANADA (Canada)

**Idea:** My Youth Business Market **Area:** Access to markets

**Description:** A support system for entrepreneurs and small businesses attempting to access new markets and establish relationships for cross border co-operation.

### ALIANÇA EMPRENDEDORA (Brazil)

**Idea:** Mão na Massa

**Area:** Training

**Description:** An application which provides practical, gamified guidance to young entrepreneurs in the early stages of their business.

### PERMICROLAB (Italy)

**Idea:** Click

**Area:** Training

**Description:** An e-learning platform to complement existing PerMicroLab's support services.

### FATE FOUNDATION (Nigeria)

**Idea:** Fund Finder

**Area:** Access to Finance

**Description:** A web application designed to help young entrepreneurs access the available funding opportunities, allowing them to select funders who fit their profile.

### QREDITS (Netherlands)

**Idea:** How to write a business plan

**Area:** Training and Access to finance

**Description:** A translation of Qredits existing e-learning platform into Spanish.

# THE INNOVATION CHALLENGE FINALISTS



11 applications were received, six were shortlisted and two were selected as winners.





## Aliança Empreendedora (Brazil)

### Mão na Massa

With a focus on training, Aliança Empreendedora designed Mão na Massa, an application that provides practical, gamified guidance to young entrepreneurs in the early stages of their business.

In Brazil, low levels of education and limited access to finance are major obstacles to encouraging entrepreneurship. The early stages of starting a business are some of the most challenging for young entrepreneurs and it is easy to lose focus and struggle for inspiration.

Recognising this, Aliança decided to design an application to help guide young entrepreneurs through the first steps of setting up a business. By producing content such as videos, tools, images, exercises, and FAQs, the application serves as a tool for entrepreneurs to continually improve their knowledge and skills. Aliança already uses a multimedia-focused approach in other products, so Mão na Massa involved incorporating existing content into an accessible platform.

Based on feedback from early prototypes, Aliança started developing an application that went through multiple rounds of adjustments. Prioritising a user-friendly interface and a well-established flow of features and functionalities, the official application was released in February 2019.



Since its release, Mão na Massa has been downloaded more than 3,300 times and gathered over 360 active users – higher than the average conversion rate in the application market across Brazil. Currently, the application is only available for Android users but Aliança is planning to launch a version for iOS users, following feedback gathered from early adopters. Before releasing new versions of the application with added functionalities, Aliança is planning to better understand how entrepreneurs interact with the application and what type of content is most engaging for them.

Looking ahead, Aliança Empreendedora aims to increase the number of entrepreneurs actively using the application. They hope to leverage their current network of partners by allowing them to create and upload tailored content for the entrepreneurs they support. This will enable Mão na Massa to not only develop a robust library of content but also to become an important support tool offered to entrepreneurs across Brazil as part of the programmes delivered by Aliança's partners.

## Lessons learned

### 1. Test your assumptions

In order to define and test their value proposition, Aliança Empreendedora built three different prototypes for their application's landing page. Testing their assumptions directly with users enabled the team to gather valuable data on which of the three prototypes performed better amongst their target audience. Continually revisiting and adjusting their strategy as a result of user feedback was a critical part of the development.

### 2. Developing an app is no easy job

For Aliança, the process of developing Mão na Massa was more difficult than anticipated. Some of the challenges they faced are very common for organisations designing a mobile application for the first time. These included overcoming setbacks with the technology and finding the best strategy to engage users when testing the app before release.

### 3. Keep your audience engaged

Aliança quickly recognised that users have a higher rate of engagement when the content shared on the application responds to their needs. Aliança's approach to content generation included a strong focus on developing daily challenges and videos tailored to the users, as well as sending regular push notifications with the aim of encouraging user engagement.

***“The expert consultant constantly challenged our value proposition validation process. He encouraged us to get out and talk to entrepreneurs to check if our assumptions were actually true. It was very important to step back, look at the strategy again, and make changes.”***

**Helena Casanovas**

Director of Research and Development at Aliança Empreendedora



## **KIZ (Germany), Youth Business Spain (Spain) and Futurpreneur Canada (Canada)**

### **My Youth Business Market**

In a collaborative effort, KIZ (Germany), Youth Business Spain and Futurpreneur Canada developed My Youth Business Market, a support system for young entrepreneurs attempting to access new markets and establish relationships for cross-border cooperation.

Entering foreign markets can be daunting for young entrepreneurs and doing so successfully is challenging without local, tailored support. Recognising this, My Youth Business Market aims to build relationships between international business partners, providing the specialised support young entrepreneurs need when venturing into new markets.

The consortium aims to develop an online platform where entrepreneurs create a profile, are matched with a specially trained mentor, and interact with other entrepreneurs around the world.

Through this platform mentor-mentee pairs are able to access support from a “human help desk” staffed by Programme Managers and different specialists for the target markets. Once matched, Programme Managers and mentors provide ongoing support to entrepreneurs.

KIZ, Youth Business Spain and Futurpreneur Canada were able to test their ideas and gather practical lessons. Looking ahead, the consortium will be sharing a guide summarising their top tips, which they hope will be a useful resource for young entrepreneurs interested in expanding their business overseas and organisations interested in supporting this process. KIZ is exploring ways to scale the model and building new partnerships to help take this forward.

## Lessons learned

### 1. Collaboration brings opportunities and challenges

Bringing members with different ideas, expertise and connections together to collaborate can strengthen and accelerate the development of a new product. However, it also raises challenges: from how to best coordinate meetings across multiple time zones to managing concerns over Intellectual Property.

### 2. Specialised support is critical

If an entrepreneur wishes to expand her business overseas then she must be ready to compete with local products. With specialised support, entrepreneurs are able to ensure their products or services meet the local demand. Talking with sector experts provided valuable insight into assessing the readiness of young entrepreneurs to enter an international market.

### 3. Sparking conversation through different strategies

The consortium realized that, as well as acquiring new users, they needed to focus on facilitating the online community they were building. To do this, they used different strategies such as hosting webinars for entrepreneurs and mentors, assigning dedicated community managers, and encouraging regular calls between entrepreneurs and mentors to explore opportunities.

*“Being part of the Innovation Challenge has opened up opportunities for entrepreneurs to access markets in different countries. It planted the seed and represented a good first step for building connections and a framework for the future.”*

Joerg Schoolmann

Director of Development at KIZ SINNOVA





## Acción Emprendedora (Chile)

### BanAcción

Access to finance is a significant barrier to starting and growing a business for young entrepreneurs in Chile. Only 4% of the young people Acción Emprendedora support have access to private investment or bank loans. Furthermore, the process for obtaining investment or a loan is very demanding for young entrepreneurs, especially those living in remote and rural areas.

To address this challenge, Acción Emprendedora has created "BanAcción": a platform that connects entrepreneurs with investors and financial institutions. Through this platform, young entrepreneurs can upload their funding applications and receive results quickly and directly.



## Bharatiya Yuva Shakti Trust (BYST) (India)

### Mentor Network

In India, sourcing qualified mentors for young entrepreneurs is difficult. There is an urgent need to find new ways to identify qualified mentors to meet demand and help foster the entrepreneurial ecosystem in the country.

To address this, BYST's proposal was to create an application-based digital platform to enable mentors from all sectors to interact and network. The platform will be focused on inducting and supporting mentors from culturally diverse areas, using a chat function, discussion forums, webinars, articles and event updates, allowing them to become part of a larger community and foster a culture of mentoring.



## Ideialab (Mozambique)

### B!Up

In Mozambique, where the entrepreneurial ecosystem is still in its infancy, access to markets and resources are key challenges facing entrepreneurs looking to scale their businesses. This creates an opportunity for collaboration between early stage entrepreneurs, allowing them to develop the ecosystem together. Entrepreneurs often establish informal networking groups on WhatsApp and Facebook to support each other and access referrals. However, these groups often exist in isolation.

Ideialab's virtual platform B!Up will be designed to support entrepreneurs to network, engage in peer learning and develop new partnerships. Key features will include entrepreneur profiles, entrepreneur matching and user-to-user chat, acting as a local market place in the entrepreneur's pocket.



## FATE Foundation (Nigeria)

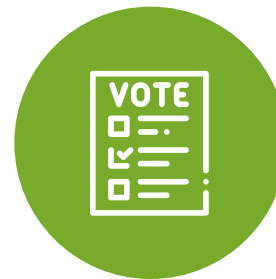
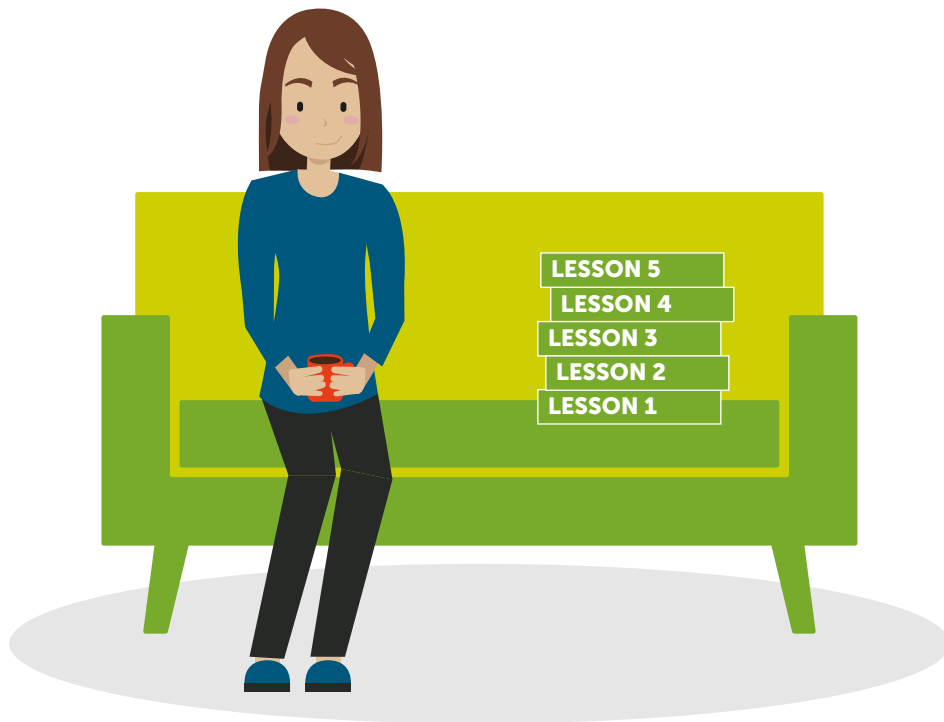
### Fund Finder

In Nigeria there are various funding options available such as grants, loans, crowdfunding and angel capital, however young entrepreneurs still struggle to access finance. Many are unaware of these options, have low levels of financial literacy and/or lack the support required to take advantage of these funds.

The Fund Finder web application which will be hosted on FATE's existing MSME Hub platform will aim to help young entrepreneurs access financial support. It will allow them to select investors that fit their demographic, sector, business needs, and guide them through the application process by enabling them access to advisory support services from FATE Foundation Programme Managers.



# LESSONS LEARNED



## Selection processes must be carefully structured

The last phase of the selection process was comprised of a vote by YBI members and a review by a panel formed of YBI partners and innovation specialists.

Our experience suggests that incorporating different perspectives in the selection process can generate interesting discussions. In some cases, member and review panel opinions differed significantly. We have realised that a more effective approach might be for the panel to shortlist projects based on feasibility before the member vote.



## Developing new products and services takes time

Winners were given three months to implement their projects. This time constraint meant both winners operated with a 'go build it' mentality, in which they assumed that their project idea was fully validated by customers. As a result, they didn't focus enough energy on refining the product/service value proposition, its features, functionality, customer appeal or viability, before jumping into development.

In future Innovation Challenges, winners will have six months to implement. This will provide more time to mature their concept, develop the new product/service and measure the results. The timeline will be split into different stages, i.e. validation of the value proposition, product/service development, launch and impact measurement. We are also exploring linking financial disbursements to results achieved in each phase.



## Innovators need ongoing support

Innovators are usually very passionate about their ideas and the impact that their product/service can have in people's lives. However, many lack a deeper understanding of how to bring customers on board in design and development.

Our members reported that the support received during the application window, especially through the innovation clinics, and during the implementation stage were key to navigating the process with more confidence. The support provided by the two innovation experts during these phases of the project were, according to member feedback, very helpful. They helped members identify potential pitfalls and solutions, provoked new thinking and energised the team when times were tough.



## Collaboration is tough

Many YBI members have told us that they are keen on working together on innovative joint projects. Despite this, only 1 in 11 applications for the pilot was a joint project. This indicates a need to design the Innovation Challenge in a way that better supports collaboration.

In the future, we will extend the application window to allow enough time for members to interact and complete the additional work required for a joint application. We will introduce specific activities to encourage collaboration such as regional hubs, workshops and targeted online discussions. We will more proactively link teams that are working on similar ideas or have similar challenges. Finally, we will revise the application form to better prompt applying teams to consider the main questions which must be answered before implementing a joint project.



## The Challenge model builds skills and momentum

The Innovation Challenge has prompted YBI members to reflect on how they support young entrepreneurs. Even members that didn't apply have reported that the initiative has encouraged them to rethink the way they provide their services and has helped them to develop new ideas for products and services that can better meet the needs of the young entrepreneurs they support.

A number of members reported that the Innovation Challenge has given them the opportunity to participate in a process that they usually encourage entrepreneurs to use but do not always follow themselves. Engaging in the Innovation Challenge has forced them to listen to the needs of their customers, think outside the box, and co-create products and services with their consumers.

# CLOSING



**Designing and delivering the first Innovation Challenge has been a real learning curve for YBI. It has also generated a number of positive outcomes – not least the early stage development of two new services for young entrepreneurs: Mão na Massa and My Youth Business Market. We look forward to continuing to follow and support these innovations.**

There is certainly a lot we can learn from this first Innovation Challenge – from how to incentivise collaboration amongst members during the application process to how to better tailor the expert support provided to winning teams as they move into the design phase.

We will draw on the reflections shared in this report as we design the next Innovation Challenge, due to be launched in spring 2019.

According to our members, the Innovation Challenge has also been a valuable opportunity to deepen their understanding of innovation processes and build skills in key areas such as user centered design. A number of members report they are already applying what they learned to their ongoing work. We hope to capitalise on this growing interest and momentum amongst members around innovation going forward.

**We warmly welcome the opportunity to talk more about our Innovation Challenge and our approach to impact.**



*[www.youthbusiness.org](http://www.youthbusiness.org)*

*+44 (0)20 3326 2060*

*[info@youthbusiness.org](mailto:info@youthbusiness.org)*

**f** *[/youthbusiness](https://www.facebook.com/youthbusiness)*

**t** *[@YouthBizInt](https://twitter.com/YouthBizInt)*

**in** *[Youth Business International \(YBI\)](https://www.linkedin.com/company/youth-business-international)*