INTERNATIONAL TELECOMMUNICATION UNION

**TELECOMMUNICATION DEVELOPMENT BUREAU**

**ITU-D STUDY GROUPS**

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SECOND MEETING OF STUDY GROUP 1: GENEVA, 30 AUGUST - 3 SEPTEMBER 1999
SECOND MEETING OF STUDY GROUP 2: GENEVA, 6 - 10 SEPTEMBER 1999

*FOR INFORMATION*

Question 10/2:     Communications for rural and remote areas

**STUDY GROUP 2**

SOURCE:     TELECOMMUNICATION DEVELOPMENT BUREAU

TITLE:     MULTIPURPOSE COMMUNITY TELECENTRE WORKSHOP (ORGANIZED DURING THE SEMINAR ON COMMUNITY TELECENTRES FOR THE ARAB STATES, TUNIS, 24 MARCH 1999)

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**Abstract:**

The contribution provide information on issues covered during the above-mentioned workshop such as:

- telecentre aims and objectives

- issues to consider when planning to set up a telecentre

- the role of government in the development of telecentres

- identification of potential partners and funding opportunities

- developing a business plan and/or project proposal

# AGENDA

9.00    **Session One** - Review of previous two days of Conference and explanation of agenda

9.20    **Session Two** - Discussion of telecentre aims and objectives - and how to resolve conflicts between different telecentre aims/objectives

10.00   Group exercise of analysis of telecentre aims/objectives (and their own aims/objectives)

10.30   COFFEE BREAK

10.45   Feedback of group results and conclusions drawn

11.00   **Session Three -** Issues to consider when planning to set up a telecentre
- Planning & forecasting
- Services to offer & systems to use
- Management & control
- Working with local, national & international agencies

11.45   Group exercise on Telecentre Services &  feedback discussion

12.30   LUNCH

13.45   **Session Four -** The role of government in the development of telecentres
- Planning of coordination with National Associations and Government Agencies
- Legislative issues
- Cultural issues
- Other infrastructure issues

14.30   **Session Five -** Identification of potential partners and funding opportunities

15.00   COFFEE BREAK

15.15   **Session Six -** Developing a business plan  and/or project proposal

15.45   Group exercise on developing a business plan - and subsequent discussion

16.15   **Session Seven -** Summary of discussions and ideas for way forward (including how to access information on relevant experiences elsewhere)

16.30   Close

# WORKSHOP OVERVIEW

## 1 Objectives

This one day workshop will be run at the Tunis Multipurpose Community Telecentres (MCT) Seminar in order help participants better understand the benefits/pitfalls from establishing local, regional, national and pan-national MCT initiatives. The workshop will also explore the processes involved in developing and managing such projects.

## 2 Aims

It is intended that the workshop will help participants to:

• identify local needs, choose services and applications;

• identify local and national partners;

• plan coordination activities with National Associations and Government Agencies;

• prepare business plans;

• identify funding opportunities;

• prepare initiatives/plans which will:

– build capacity;

– develop local content;

– get community buy-in.

## 3 Approach

The one-day workshop will combine a review of the presentations/discussions of the previous two days of the seminar with group/workshop discussions of future strategies/plans and potential projects using *a set of workshop materials and exercises* developed for the ITU.

The workshop materials to be handed out to participants will consist of:

• This workshop agenda with an outline of objectives and hoped for results.

• Research reviews/reports used as the basis for session introductions.

• Good practice guidelines and examples of existing approaches taken.

• Checklists.

• Skeleton business and project plans.

• Descriptions of "scenarios" and topics for group discussions.

Some of the documents/checklists handed out will be completed by participants individually and in groups during the course of the workshop.

The workshop will be organised in a structured fashion combining short presentations by ITU representatives and invited "experts" with (small) group discussions, completion of session checklists/planning documents and group feedback sessions.

Plans for formal on-going involvement of participants (and others) in on-line discussions will be outlined before the workshop finishes. The workshop will be led by Bill Murray of Small World Connections Ltd.

**Workshop sessions outline (see also the Agenda for the day)**

**1      Draw on previous two days of the conference**

This will consist of the following:

•      Summary of ideas presented.

•      Key points discussion.

    •   What do experts and participants feel were the key points were of the conference?

•      Identify requirements for more information.

•      Overview discussion of local needs/limitations by participants.

**2      Discussion of telecentre aims and objectives**

*A discussion paper will be distributed* and presented as part of this workshop session. It will outline the types of aims and objectives of some MCT projects and the potential conflicts between some of these. The document will cover:

•      national, regional and local perspectives;

•      development of technical "infrastructure";

•      social versus business initiatives;

•      employment generation schemes;

•      training development;

•      technical awareness raising;

•      support for especially disadvantaged groups.

*A fictitious scenario will be drawn up* – involving an MCT – for discussion in small groups of how to reconcile differing, possibly conflicting, aims & objectives and the costs and benefits of such an initiative. The groups will then present the results of their discussions.

**3      Issues to consider when planning to set up a telecentre**

*A discussion paper* will be presented which looks at issues and problems faced by previous Telecentre projects. In particular the paper will focus on:

•      planning and forecasting;

•      services to offer and systems to use;

•      management and control;

•      working with local, national and international agencies.

A separate paper will look at *Key Issues in Developing Telecentres* and will refer to the Ten Golden Rules of Telecentre Design developed at the ITU MCT event in Budapest in December 1998. The presentation of the paper will be followed by a group exercise and additional paper on telecentre services. A subsequent feedback discussion session will also be held.

## 4        The role of Government (and other agencies) and legislative/cultural issues

The impact and role of government involvement with MCT initiatives in other parts of the world will be reviewed. This will include those situations where government involvement has been minimal as well as initiatives which have been established with substantial government support/direction.

This review – covering the advantages and disadvantages of such approaches - will be provided **as a discussion paper** which will be distributed to participants to be used either as the basis of a general discussion or discussions in smaller groups. Opinions will be sought on the suitability of such "models" for Arab States whether the likely approach to be taken is appropriate.

The difficulties likely to be encountered in promoting and gaining acceptance for such initiatives - by government and community representatives - will be explored and suggestions will be sought for appropriate action in this regard.

*Documents providing examples of such government led initiatives will be distributed* if permission for copying suitable documents can be gained (alternatively summaries of such documents will be provided). The discussion will be followed by an individual exercise on "Preparing National Inventories of Telecentre Infrastructures" and – if appropriate, and time allowing – by a subsequent group discussion.

Participants will be provided with ideas to consider with respect to the potential for MCTs in their respective countries bearing in mind their levels of national:

•        awareness of potential/technologies involved;

•        interest in MCTs/ existing experiences;

•        preparedness;

•        infrastructural developments (ICT training, ISPs coverage, telecommunications systems, business/government attitudes), etc.

Participants will be asked to complete their own national infrastructure "checklists" – an exercise which might identify the existence of some relevant national resources/experiences as well as national "gaps" or limiting factors. This may result in some obvious collaborations being developed or some potential projects being identified.

## 5        Identifying potential partners and funding opportunities

The experiences of other countries in gaining sponsors/partners and funds will be discussed and *an outline will be distributed of some known funding opportunities*.

Participants will be invited to indicate on the Workshop Review Form any existing or planned projects in which they are involved – or would like to be involved. This information would be used – in confidence – to help identify potential collaborations or "mutual support networks" by ITU after the Seminar.

## 6        Developing a plan/proposal

A discussion document on *developing a business plan for MCTs* - and what to bear in mind - will be assisted by the provision of *an outline "model" business plan, or plans*. Such outline plans can be helpful both to individuals/groups planning to develop MCTs and to government agencies attempting to assess the suitability/viability of any projects suggested to them.

Participants will be provided with ***another fictitious MCT scenario*** and will complete a skeleton "model plan" in small groups. A discussion of which parts of the plan were/would be most difficult to complete will lead into an analysis of how proposal documents should be drafted and what issues should be covered in such documents.

The electronic form of this document could be downloaded from the ITU website and used by some participants after the meeting to help them develop their own project outlines or for assisting with the assessment of proposals submitted for their consideration.

**7        Review of the workshop and suggestions on accessing information on relevant experiences elsewhere**

A discussion on existing information resources and how to access them - in particular details available via the ITU website or from the ITU Office - will be included in the workshop review session. A handout will be provided on some of these ***relevant information sources and access/contact details.***

Participants will be asked to make suggestions on other information sources and to offer papers written by themselves or colleagues to be made available via the ITU website or via the ITU Office. *Such suggestions can be made on the workshop participation review form.*

Participants will also be encouraged to take part in any online "conference" which will follow the Tunis Seminar. A demonstration of how to access the Online Conference will be provided and its' aims and objectives will be discussed - with requests made for suggestions/amendments.

*A workshop evaluation form* will be handed out for completion at the end of the workshop. Completion of this form will assist with the development of similar workshops in the future and all participants are kindly requested to complete their form.

In particular we would like to assess how participants think that the information presented to them in the previous three days has managed to help with the telecentre development process - and what areas should be covered in more detail at future seminars.

# SETTING OBJECTIVES FOR MULTIPURPOSE COMMUNITY TELECENTRES

## 1 Reasons for setting up a telecentre

The reasons usually given for setting up a telecentre often include the following:

- Brings employment to an area where it is difficult to get work.

- Provides access to computers and telecommunications equipment and services.

- Increases the levels of skill training in information technology.

- Provides access to information resources.

- Provides work for people (especially women) who cannot get jobs due to other commitments (e.g. child care).

- Improves ability to communicate with the outside world for those with poor telecommunication networks (e.g. rural areas).

- Provides a social meeting place for the community for the exchange of ideas and planning of future projects.

Some of these objectives may not be as relevant when one is looking at the establishment of Telecentres in poor rural areas. According to a report by the United Nations Food and Agriculture Organisation *"The Internet and Rural & Agricultural Development"* the focus for setting up Telematics centres (and telecentres) in a rural area should be about social issues and how it can improve communication, knowledge sharing and information access for rural people. They suggest that a major rural telecentre achievement should be that local people can communicate with a wide range of organisations and individuals from other villages, towns, cities and countries not just a room with the latest high tech computer equipment.

The UN report suggests the following lists of benefits which a rural community might gain from the set-up of a telecentre with Internet links:

- Improved access to information, training, research and educational resources including distance learning programs. These are often unavailable in rural areas due to the high cost of printed material, poor distribution networks and lack of transport infrastructure.

- Immediacy of information access – unlike ordering a book on a subject which can take weeks (or more) to arrive in the community – gaining information from the Internet is(relatively) fast and cheap.

- Improved access to agricultural information can improve the profitability of rural farms. For example the UN report cites the example of farmers in Mexico and Chile who can obtain up to date commodity prices from the Internet and use that information to strike a 15-20% higher bargain for their crops with their brokers. Given the competitive nature of agriculture and the globalisation of the industry, the UN report points out that this type of information can "make the difference between a farmer staying in business or losing the farm" .

- Young people in rural areas are able to learn about computers and telecommunications like their urban counterparts.

- Rural professionals such as doctors, nurses, teachers, engineers and aid workers obtain technical information thereby improving their performance and encouraging them to continue working in rural communities. For example the HealthNet Internet service in Zambia enables doctors and nurses in rural areas to access medical information and advice from all over the world.

- Enable the community to market itself as a rural tourism destination and sell products made locally by cooperatives and small businesses.

- Enables the community to promote itself as an "eco-tourism" destination, e.g. game parks in South Africa. Traditionally tourist destinations in rural and remote areas could not compete with established tour operators due to the costs of advertising and promotion. However by setting up a tourist web site, a rural community can cheaply advertise its offerings to a worldwide market with whom they can interact directly.

- Improved community awareness of current affairs in their country and region. Often rural communities, particularly in developing countries find it difficult to get news. However, by accessing the many news sites on the Internet, local people can find out the latest news stories from a wide range of press associations.

- Provide a means to educate urban decision makers about the needs and concerns of their rural community.

## 2      Resolving conflicting objectives

There are several questions which prospective telecentres should ask themselves before setting up to ensure that their objectives and aims do not result in conflicts of interest or mutually exclusive targets. These questions can include the following:

- "What are we as a Community Teleservice Centre, *really* here for ? Is it to support social and community groups in their development and use of IT or to generate employment, profit, viable businesses and jobs?

- If it is both of these, which has priority and how are the inevitable tensions in the two approaches going to be managed?

- What services should we be delivering to who, why, and how will this be organised and managed?

- Will certain activities be expected to make a profit ? if so, which ones and why?

- Can the social and community activities be supported at a loss and, if so how?"

The setting of clear goals is also **essential to ensure that any conflicts between community and business objectives are resolved at the outset** rather than when the telecentre has already started trading.

Furthermore, when the objectives of a telecentre are being decided (and when the telecentre is being set up) it should be *"seen by locals to be relevant to their own perceptions of needs and aspirations. It needs to be issue based, not necessarily technology based, with a language that is accessible"*. This approach should enable the telecentre *"to succeed as a community initiative"*.

(See *"Best Practice in Developing Community Service Telecentres -* by Steven Graham, University of Durham, UK, 1992.)

## 3        Assessing community needs

Since one of the common objectives of a telecentre is to provide a service to the local community, it is vital that the aims of the telecentre meet community needs. For example if a telecentre decides to provide IT training at reasonable rates and there is already education college offering this, the telecentre will not succeed in its aim of improving the services available to the community.

In order for a telecentre to provide a service which does meet community needs, the telecentre management team need to establish these by carrying out a community audit. This can be in the form of a survey, holding a public meeting, talking to community leaders and community organisations and accessing existing "community audit" information from government sources. This point is reinforced in the CTCNet Start-Up Manual (see www.ctcnet.org) as follows: *"The telecentre will be judged within the community according to how well it understands and reflects community priorities, even though the community may not be openly articulate about those priorities."*

### 3.1        Obtaining Government data

One of the first steps a telecentre manager can take when trying to find out information about a community is to consult any available (government) census data which may be able to provide information about:

•        size and density of the targeted population;

•        breakdown of population by age range, sex, ethnic background, language spoken, education levels;

•        proportion of employed to unemployed, average income level, predominant types of employment or occupation.

In addition to census information, the telecentre manager may be able to approach local government officials who may have access to data about the community through reports compiled/sent to their offices.

### 3.2        Talking to community leaders

Another method of establishing community needs is to talk to the leaders of community groups and institutions such as:

•        head teachers of schools;

•        senior lecturing staff and managers of any further and higher education institutions;

•        management and staff at libraries and museums;

•        local business organisations;

•        local community groups, any women's groups and cooperatives;

•        religious leaders and religious institutions;

•        local charities;

•        any community action agencies or other groups working to improve community services such as community action agencies, homeless shelters, etc.

By talking to these groups, the telecentre may also set up useful partnership links.

### 3.3    Holding a public meeting

The State Government of Western Australia have produced detailed guidelines for prospective telecentres, including how to run a public meeting to raise awareness of the concept of telecentres and investigate community needs. Their guidance states the following: "At this [public] meeting it will be explained what a telecentre is, the types of equipment and services it can offer, and the potential benefits for the community. Discussion will cover such things as:

•    Access to telecommunications services, computer-based information and online communications.

•    New social opportunities.

•    Generation of new business opportunities.

•    Programs and services presently at risk or not available because they are not viable along traditional lines.

•    Potential to co-locate.

The meeting will need to be well advised to get attendance from a wide cross section of the community. This is the perfect opportunity to raise awareness of the telecentre concept and what it can offer your community."

### 3.4    Carry out a survey

A survey will provide concrete evidence of community need for a telecentre in your area. The results can also provide useful backing to any application for funding from government agencies and can help support the telecentre business plan. Since the telecentre will be aiming to generate some income from the services it is providing, the survey of community needs acts as a useful market research tool of the types of services local people require and more importantly what they can afford and are prepared to pay. For example there is no point in offering IT training at reduced rates in an area of high unemployment because it is likely that people will be unable to afford it. Instead the telecentre may have to offer IT training practically for free and seek additional funding to cover the costs of IT training provision.

#### 3.4.1    Personal interviews

There are many ways of conducting a survey. Generally the most effective method is to have a combination of written questionnaires and face to face interviews. According to the State Government of Western Australia who have produced detailed guidelines on carrying surveys of community needs, personal interviews can be carried out by:

•    "appointment with staff at major businesses;

•    with individuals at local shopping centres;

•    by house calls;

•    by telephone (although this may be costly)."

#### 3.4.2    Written questionnaire

In many countries the written questionnaire would be mailed out to all the houses in the community - in some countries (where there may be low literacy rates) this would not be appropriate. Questions could also be targeted at community and business leaders, local government departments and any central government agencies responsible for economic development in that particular region.

According to the State Government of Western Australia the survey should include:

• "a title;

• reasons for the survey;

• background to the telecentre proposal;

• notes on how to complete the survey;

• questions;

• opportunity for comment;

• section on personal information;

• information on how to return the questionnaire".

When writing a questionnaire the hardest part is devising the questions to provide you with the answers that are most effective and informative - often referred to as "closed questions". The State Government of Western Australia provides the following guidance:

• "Supply specific information, e.g. how often do you come into town -useful for urban telecentres.

• Choose an answer, e.g. which of the following services would you use? (Please circle the appropriate services.)

• Assign a value, i.e. please give these a rating out of 5, with 5 being the highest.

• Indicate the relevance – similar to assigning a value but respondents are asked to tick boxes instead of numbers."

Considering the market research potential of the telecentre, the questionnaire could list a number of potential telecentre services and ask local people the extent to which they would use them. (See Appendix 1 for an example of a recent survey used in the United Kingdom.)

When the telecentre management have analysed the results of the questionnaire and identified the types of services that the community most urgently needs, they can compare this with the amount of provision currently available. If no such provision exists the telecentre can then begin to consider offering those services as a means of achieving their objective of improving facilities for the local community.

## 4      Matching objectives and resources (Funding)

However many telecentres face a crisis when the funding runs out or is withdrawn. This can cause many telecentres to shift their focus from providing community services such as IT training for the unemployed to developing highly skilled and more specialised business services as a means of achieving income.

Given that the withdrawal of funding often means a reduction in community services, it has been suggested that when telecentres are setting their objectives they should aim for a "*mixed economy model … one which combines public and commercial sources of income, relying on close links with public agencies, local firms and the local community… Such a model is most likely to survive the funding crunch because of its adaptability*".

(See "*Best Practice in Developing Community Service Telecentres* - by Steven Graham, University of Durham, UK, 1992.)

The UK TCA *Telework Handbook* points out that successful UK telecottages follow one of two models when setting their objectives. These are as follows:

1) They develop a core business niche which often creates the infrastructure (equipment and premises) that subsidises the economically priced services of the telecentre.

2) They receive their support from various agencies in exchange for providing training services.

Economic generation is often a popular aim of a telecentre, in particular encouraging new forms of enterprise and generating employment for local people. However, it is important to bear in mind that large scale job creation does not automatically follow from setting up a telecentre. Often telecentres can be more successful at providing IT training and fulfilling a community's need for a social centre.

This point was in an October 1994 publication on teleworking for the Commission of the European Communities, Directorate General XII, Brussels. *"There is evidence most telecottages are successful in meeting the social goals of spreading access to and awareness of Information and Communication Technologies and Information and Communication Technology resources for local communities. Their success in generating high quality employment is more mixed. This may be because they are starting from a low skills base and therefore can only offer limited services to employers such as data inputting. It may be inappropriate to judge telecottages solely in terms of their commercial viability and job creation. Social cohesion and the quality of life of the local community is also important."*

By examining the evidence of telecentre success in purely statistical terms, it is easy to conclude that telecentres have a minimal impact in the economic regeneration of an area. One of the more successful telecottages in the Northern Ireland, KITE only employs sixteen staff, However, they have trained over one hundred women in IT and business skills courses. In this way a telecentre can act as a focal point and be the first stage of an area's economic re-development. Certainly the training in IT and telecommunications skills and the access to new forms of global advertising such as the Internet are bound to be helpful to new businesses, individuals seeking employment and to existing business who wish to expand. However no research currently exists to prove the link between the help and support local people receive from their telecentre and any consequent rise in an area's economic fortunes.

APPENDIX 1

**Example of a section of a community needs questionnaire**

This section of a community needs questionnaire lists the potential services that a new telecentre could provide and tries to find out the extent to which local people would use them.

**1    Please indicate which of the following activities/services of the telecentre you are likely to use and indicate the frequency of use**

| | Frequently | Sometimes | Rarely | Never |
|---|---|---|---|---|
| **Public Access** | | | | |
| Office rental (on short or long term leases) | | | | |
| Room hire (on a day by day basis) | | | | |
| Access to computers and peripherals | | | | |
| Access to telephones | | | | |
| **Office Services** | | | | |
| Data entry/data conversion | | | | |
| Word processing | | | | |
| Desktop publishing | | | | |
| Printing | | | | |
| Photocopying | | | | |
| **Communications Facilities** | | | | |
| Fax facilities | | | | |
| Message taking/Phone minding | | | | |
| Contact address | | | | |
| Email addresses | | | | |
| Internet access | | | | |
| **Computers** | | | | |
| Computer consultancy and support | | | | |
| Selling computers and peripherals | | | | |
| Hiring out computers and peripherals | | | | |
| Selling software | | | | |
| Training | | | | |
| General computer training | | | | |
| Internet training | | | | |
| Other training | | | | |

|  | Frequently | Sometimes | Rarely | Never |
|---|---|---|---|---|
| **Information** |  |  |  |  |
| Tourist information |  |  |  |  |
| Community information |  |  |  |  |
| Housing information |  |  |  |  |
| Job & careers information |  |  |  |  |
| Education information |  |  |  |  |
| Government information |  |  |  |  |
| Transport information |  |  |  |  |
| Commercial information |  |  |  |  |
| **Other Services** |  |  |  |  |
| Language translation |  |  |  |  |
| Abstracting, editing, proof-reading |  |  |  |  |
| Bookkeeping/accounts |  |  |  |  |
| Recruitment/employment agency/staff agency |  |  |  |  |
| **Others not listed above (please specify)** |  |  |  |  |

# GROUP EXERCISE OF TELECENTRE AIMS AND OBJECTIVES

**Scenario 1**

You are the Economic Development Manager of a local government agency and you have been awarded some central government funding to set up a telecentre in a major city. However the city has the following attributes:

- High unemployment - especially amongst families with children and workers over 50.
- A high crime rate - particularly amongst the 16-25 age group.
- A large number of business centres offering photocopying, faxing, word processing and other office bureau type services.
- Potential for tourism in the shape of a new hotel and entertainment complex
- A travel to work population of 300 000.
- Good levels of literacy and numeracy.

Work together with the other members of your group and decide:

1) At least two major objectives for the telecentre which address some of the social problems

2) At least two major objectives for the telecentre which generate income

3) Outline how you will reconcile any conflicting objectives

4) gest mechanisms for resolving conflicts of interest

# ISSUES TO CONSIDER WHEN PLANNING A TELECENTRE

There are a number of crucial issues that telecentre managers and telecentre management teams should consider when planning a telecentre. We have already dealt with the first crucial area of setting sustainable, achievable objectives which will ensure the telecentre survives any withdrawal of funding. This and some of the other crucial issues are discussed, below.

## 1 Planning and forecasting

- Plan and forecast as precisely as possible.
- Planning a multipurpose community telecentre is long term process – so don't take shortcuts.
- Gain the credibility of the local community by achieving results (e.g. by providing training) and by involving them at an early stage (e.g. surveys, meetings).
- Write a business plan with forecasts for income, expenditure, cash flow, priorities and overall objectives. (This will be covered in more detail later.)
- If funding is difficult to predict - develop two different business plans - one concentrating on maximum revenue generation and cutting costs and another focusing on community focused activities which may make a loss.

## 2 Decide the types of services to offer

- Market existing skills rather than trying to develop new skills (wherever possible).
- Carry out a skills audit of all people involved including organisations which are linked to the telecentre and local people who wish to work as teleworkers.
- Make a list of contacts with individuals, public and private sector businesses to assist marketing and work generation.
- Be aware of relevant business opportunities and the types of services that a telecentre can feasibly provide. (A list of these is provided in a separate document.)
- Aim to become a local focus for IT and telecommunications training within the local and business community.
- Communicate with local government agencies about the aims of the telecentre and the types of services it provides – this can help to gain local government contracts for work.
- Before offering a service – find out if there is a local demand for it (market research or surveys).
- Add to services offered locally and do not to try to set up in direct competition.
- Develop a unique selling point for the service (e.g. speed of delivery or expertise).
- Provide high value added services too, not just the standard offerings of basic IT training, photocopying or faxing, etc. (For example in the UK, Argyle Telematics offer journal editing and Devon Teleworking carry out information processing for Reuters.)
- Publicise the telecottages services as widely as possible amongst the local and business community, e.g. through press releases in the local media.

• Develop effective networks and working relationships with other telecentres to enable pooling of skills and resources and to offer a wider range of services

• If practical and feasible - develop a cooperative marketing strategy with other telecentres to attract large private sector contracts.


**3    Management and control**

• Set up an effective management structure to control resources, ensure objectives are achieved and evaluate telecentre performance.

• Ensure the management structure is strong enough to take commercial decisions but is sufficiently democratic so that all members of the telecentre feel involved and social projects can still be pursued.

• The telecentre manager should have a good understanding of the needs of the local community and be well known and respected by local people. This can often be more important than a high level of IT knowledge.

• Ensure the legal entity of the telecentre compliments its aims and objectives.

• Set up quality management procedures to ensure high standards of work are produced before they are sent out to the client.

• Ensure that the telecentre management team set the criteria for success not an outside funding organisation.

• Ensure that the telecentre manager regularly monitors the telecentre's standards of performance against its agreed objectives. This can improve the process of setting future objectives and forward planning.

• Set up a cost control system and ensure regular cash flow forecasts and accounts are prepared. This will help detect problems and identify areas of telecentre services where expenditure is exceeding revenue.


**4    Supporting business activities**

• Seek available advice and professional help, e.g. from relevant government departments, enterprise agencies, banks or groups with significant experience of business start-up.

• Train the telecentre staff in skills such as new technology, time management, communication and business management.

• Ensure that telecentre staff and management training is an ongoing activity not just a one-off event when the telecentre is first set up.


**5    Working with local and national governments**

• Collaborate with local and national governments. Use them as a focal point for gaining information about other telecentre projects.

• Find out what information, assistance and funding is available at a local and national government level for the telecentre project.

• Ensure the telecentre project fits in with other local initiatives and community projects, e.g. other community groups could provide support and assistance to the telecentre.

## 6      Effective use and application of telematics

•      Keep up to date with technological change. In particular the telecentre manager should monitor the IT and telecommunications market to ensure that the equipment they use for providing business and training services is in line with acceptable standards.

•      Only purchase and implement IT and telecommunications hardware that are in line with business objectives. Don't invest in expensive technology unnecessarily.

•      Make IT and telecommunications purchasing decisions with the long term in mind.

## 7      Setting targets for success

Having established the aims and objectives for the telecentre and decided on the types of services to offer, there will be a need to determine a range of targets against which the development of the telecentre can be judged. This "success criteria" will differ for each telecentre depending on it's aims and objectives and it's funding structure. The criteria must reflect the needs and aspirations of both sponsors and the user communities.

The process of setting such targets will assist with the ongoing development of the telecentre. It is important to set clear and unambiguous achievement targets and progress milestones which can be regularly assessed.

**CTCNet** cover this topic in Chapter 7 of their manual under the title "Scheduling, Outreach and Self-assessment. In that chapter (www.ctcnet.org/ch7.htm) they suggest that: *"The Steering Committee needs to know whether its plans for the (MCT) are working and what the (MCT) can do to improve it' effectiveness. Establishing procedures to provide this sort of information is called making a "self-assessment" plan or engaging in "formative" or "process" evaluation."*

They go on to note that funders like to know that their telecentre managers are tracking results. This should be carried out as an ongoing process, not as a retrospective act to satisfy grant administration and evaluation requirements. The best course of action is to "build strategies for data collection and opportunities for participant feedback into the operational plan for the (MCT) from the very beginning".

The **Western Australia Telecentre Network** also give serious attention to this topic and have drawn up a *Resource and Performance Agreement* document which telecentres must complete. It is used as the basis for the funding agreement between the telecentre and the WA Department of Commerce and Trade. The continued funding of the Telecentre by the government department is dependent on the telecentre **demonstrating** that it is actively meeting, or working towards meeting, the targets/objectives agreed and documented.

However, the targets/objectives are not "absolutes" and they reflect local factors such as the level of existing service provision in the community and the size of the local user base. The process *"offers a holistic approach to the mission for Telecentres, giving due recognition to the role that telecentres are expected to play within their community. Differences in the Resource and Performance Agreement have not decreased the requirement to respond to the education and training needs of the community, rather it will enable telecentres to be more responsive in the way they meet these needs".*

For each objective identified a goal is set and a completion time is agreed. Each of these objectives/goals is allocated a number of Service Units (points) so that an overall evaluation can be made by the Management Committee in a clear and relatively unambiguous manner.

## 7.1    Establishing success criteria

There are no fixed rules on setting success criteria - which will vary according to individual circumstances. However, a recent online discussion on telecentres organised by the IDRC Study/Acacia Initiative provided some ideas to consider.

***The following is abstracted from the IDRC Study/Acacia Initiative***
***"Little Engines that Did" Case Histories from the Global Telecentre Movement***
***Online Rolling Telecentre Interviews – June 1998***

The Participants on this rolling online interview were:

> ***LB -*** Lennarth Bernhardson - *Sweden*
> ***NL -*** Nebo Legoabe - *South Africa*
> ***PM -*** Paddy Moindrot - *Wales*

The interviews covered a wide range of topics (see - www.idrc.ca/acacia/eng_10.htm) and one of the questions posed concerned measuring the success of a Telecentre or MCT. The "quickfire" answers from LB and PM are indicative of a very serious success criteria for pioneering MCTs – survival. The answer given by Nebo Legoabe of South Africa provides some ideas against which to set your own success criteria and MCT targets/milestones.

**"How do you know when a telecentre has succeeded?"**

**LB** - When you make money to survive.

**PM** - To survive is to succeed!

**NL** - Some of the signs would include the following:

- the growing number of users;
- the growing business (start with basic word processing, to developing business cards, letter heads, scanning services, etc.);
- how ICT (Information Communication Technologies) market is growing (If, for example, emails are being utilised to the extent that there is demand for the growth of the market) and if local people grow links with International markets);
- if there is a development, e.g. of a market for web-based content creation in the community, because others (entrepreneurs and NGOs want either to develop their web pages or want their information on your web page;
- if there is a growing demand for telecentre services in the area to the extent that other agencies establish their telecentres;
- if some entrepreneur develops a business around the servicing and maintenance of IT and ICTs in the area/community (Hardware);
- if some entrepreneur sees the opportunity to develop and provide some software support in the area;
- if an NGO or an entrepreneur in the community sees the need or possibility of providing training for ICTs in the area;
- if some entrepreneur/NGO sees the market to develop ICT networks and infrastructure in the area;
- the final turnover of the business of the telecentre.

APPENDIX 1

**Multipurpose community telecentres
- Differing national experiences -**

## 1       Conclusions drawn from MCT Budapest Seminar

The ITU Multipurpose Community Telecentres (MCTs) conference in Budapest -December 1998 - demonstrated a wide spectrum of experiences in setting up MCT's in many different types of environment (rural –urban, high income – low income, areas with or without adequate telecom infrastructures). The general impression was that telebased community centres are usually established as multipurpose centres combining activities related to public services with some business oriented activities. This is in contrast to, for example, telecommuting centres and call centres - which have been set up to serve a single commercial oriented purpose.

In some area –such as Africa - the demand driven centres mainly focus on provision of basic communication services such as telephone, fax and sometimes also email and Internet. In Senegal such centres are established as private franchises initiated by the PTO (Public Telephone Operators). In Ghana the telecentres are established on the initiative of private entrepreneurs. Although their primary service is related to telecommunication they may also offer other business services like photocopying. So far this type of centres are mainly located in urban neighbourhoods, where a large population of customers without residential access to basic telecom services exist.

A review of the uptake of the MCT concept in various countries was also provided in Budapest in a presentation by Morten Falch. A summary of that presentation is provided, below. National estimates can also be found for some countries at the European Telework Online website.

## 2       Models for multipurpose community information centres (MPCICs) by Morten Falch

**Many centres are organised in national organisations such as the British Telework, Telecottage and Telecentre Association or receive support from national or international programmes. But there are also centres outside these institutional frameworks, either generating their own income or solely depending on funding from local authorities.**

- **United Kingdom**: 160 telecottages throughout the country and the number is still growing. One of the reasons for the large number of telecottages in UK is the good opportunities for public funding.

- **Germany** has a strong organisation of community teleservice centres. 47 centres have been established with public support. Centres are established in East Germany to compensate for poor telecom services.

- **France:** Less than 10 telecentres are in operation, but some of these are very large telecentres.

- **Sweden** established its first telecentres in 1985. The number has been quite stable within the past years, and Sweden has now around 25 telecentres. These centres are networked so they can serve the local community with services from other local centres in Sweden. No public funding is available for these centres and they operate on a strictly commercial basis.

- **Denmark** was one of the first countries to establish telecottages in 1985. Many of these centres are now closed, but related activities are now taking place as part of other programs, e.g. as training centres established as part of local employment programs.

- **Finland** hosts 40 telecentres throughout the country. As a large country with a small population and with a very well developed telecommunications infrastructure, Finland has a large potential for use of telecommunication for support of local communities.

- **Norway** joined the first waive of telecentres taking place in Scandinavia in the 80's, but it seems that all the centres established have been closed down.

- **Ireland:** There are about 10 telecottages. In addition to the telecottages defined as community centres providing public access to computers and other IT equipment, Ireland hosts a large number of call centres.

- **Austria:** At least 12 centres were in operation in 1997. Two of these are located in Vienna. Internet access, telebank services, access to databases, telework facilities and teletraining are provided.

- **Belgium**: Only one telecentre has become operational so far. It is planned to set up around twenty telecentres in Flanders within the next few years.

- In **Spain** about six telecentres have been established. More rural telecentres are planned in Teruel and Aragon regions.

- **Italy:** Two rural based centres are in operation. A plan for 57 new centres has been announced.

- **Estonia:** Thirty-two centres have been established and the number is growing rapidly

- **Hungary:** The number of telecentres is growing rapidly. So far about 50 centres have been established.

- **Eastern Europe:** The EU has funded a number of telecentres in Eastern Europe, e.g. through the Tacis programme, which has funded 11 centres in 9 different countries.

- **USA:** The Community Technology Centre Network (CTCNet) connects about 260 centres. Other initiatives are made by e.g. the U.S. Department of Education. Microsoft is funding a number of initiatives at libraries.

- **Canada:** North America's first rural telecentres were set up in Newfoundland and Labrador in 1989-90. Six centres were established, five of these are still running.

- **Australia:** A telecentre programme was initiated in 1992/93. The total number of sites is now 70 including satellite sites providing services from other telecentres.

- **South Africa:** National Information Technology Forum has identified 201 community information centres. Of these 88% had telephones, 65% computers and 30% emails.

- **Senegal:** More than 6 000 telecentres in Dakar and suburbs were running in 1996. These centres were mainly supplying basic telecom facilities.

- **Ghana:** 50-60 communication centres have been set up in the wake of the liberalisation of the telecommunications sector. Most of these companies are set up by women.

# POTENTIAL TELECENTRE SERVICES

According to the TCA *Teleworking Handbook (UK Telecottage, Telecentres & Teleworking Association 1998 – see http://www.tca.org.uk)* services offered by telecentres often include the following:

- Abstracting, editing, proof reading and indexing.

- Audio typing, remote typing, document formatting.

- Bookkeeping and accountancy services.

- Computer programming/software support.

- Conferencing - both videoconferencing and audio conferencing can be offered.

- Data conversion - converting data from one disk format to another or from one software package to another.

- Data input.

- Equipment rental - can take several forms:

  – hire of computers and software on site (e.g. for people who want to use word processing, either for private use or to offer a service);

  – hire of computers for private study for those who want to start using computers on an informal basis, perhaps before attending a formal training course, or who want to use software based tutorials;

  – hire of equipment to teleworkers such as high quality laser printers and colour printers;

  – hire of equipment to "take away" such as portable PCs, small inkjet printers, for occasional teleworkers or for overload work. The BOON telecentre offers a "try before you buy" PC hire service.

- Farm skills - farmers need secretaries, bookkeepers and people who know how to fill in complex EU forms and maps. The WREN telecentre initiated a scheme whereby four farmers clubbed together to buy some crop management software and use it on a collaborative basis rather than each having to buy their own computer and software.

- Faxing/photocopying services.

- Information broking - Information brokers are experts at accessing paper and on line information sources and distilling the results into a product they can sell to clients.

- Information services/booking agency/tourism information - Tourist information such as B&B lists, sites of interest and events diaries are provided by several telecottages in holiday areas. A number of telecottages manage tourism web sites on behalf of local tourism development groups.

- Internet based services - the main problem with Internet based services are changing mechanisms. More people are prepared to send their credit card numbers to "secure" commercial Internet sites, but there is still concern about this area, so providing a scheme for alternative payment is vital.

- LETS - The Local Enterprise Trading System - can provide telecottages with additional resources. Under LETS, local services are exchanged in cashless trading, with different services attracting different rates of LETS. Telecottages can act as administrative centres for local LETS systems.

- Office services - e.g. accommodation addresses, meeting space and telephone answering. The telecottage can help the small business person present a more professional image.

- Publishing, design and multimedia.

- Remote office services - Glaxo Wellcome and Rank Xerox have created telecentres remote from their main office where much routine correspondence and administration is done.

- Scanning.

- Skills register - Many telecottages maintain a local skills register of individual teleworkers and can refer work to them. Sometimes a telecottage takes a percentage of the value of the work if a contract is arranged through the telecottage. In others, because the teleworkers are using telecottage equipment, no commission is taken.

- Training - Most telecottages offer a variety of training courses introducing people to information technology, e.g. specific software packages such as word processing, spreadsheets, databases; training in business skills and special vocational qualifications for teleworkers.

- Translation services.

- Word processing and desk top publishing - e.g. using desk top publishing to prepare brochures, etc., for local companies. Daily information telecottage in Oxford, arguably the first telecottage in the United Kingdom, began by combining word processing training and services with the production of the Daily Information free broadsheet covering activities in central Oxford.

- World Wide Web pages - some telecottages have their own websites and are letting space within their sites to local businesses.

Other telecottage services mentioned in the *Teleworking Handbook* include:

- Product demonstration rooms - this becomes possible through the use of computer equipment, ISDN lines and office support.

- Sales force support centres - National sales forces often have a far flung group of people who may need to meet up with regional managers, hold small conferences or drop in and use the facilities. Telecottages have been approached to offer these facilities and can network with other telecottages to provide cover of an entire region.

- Product agency agreements - Agency agreements on a number of product lines related to teleworking business can be arranged such as computer sales, office supplies and printing.

- Homework club - Some telecottages have offered access to computers for children for homework or games usage.

- Cybercafe Internet access - A number of cybercafes have been set up, usually in town centres where they have created a lot of interest in the Internet by offering access at £ 5 per hour. Telecottages could offer an Internet education package - a getting started course followed by a number of sessions at the telecottage.

- Local council information access - a number of county councils are keen to develop online information access points or satellite offices in rural towns and might welcome a site for an additional terminal which could be rented to them.

- CD-ROM library.
- Job club.
- Business adviser outpost - Using a grantfinder database software, the telecottage could also charge an access fee and assist small businesses to find information.

**The TCA/Small World Connections 1998 Survey of telecottages and telecentres in the United Kingdom included an investigation of the extent to which these services were important to existing UK telecentres. The table in Annex 1 provides an analysis of this part of the survey results.**

ANNEX 1

**UK telecentre activities and services**

**The UK telecottage and telecentre survey 1998 was answered by 50 UK telecentres. One of the questions asked concerned the type of services which the telecentres provided – and the extent to which these services were important to the existence of the telecentres. The following table provides an analysis of their responses – with a "top 10" summary being provided below.**

"Please indicate which of the following activities/services are provided by your centre and indicate whether they are a major or minor element in the activities and services that you provide."

|  | None | Minor | Significant | Major |
|---|---|---|---|---|
| **Public access** | | | | |
| Office rental (on short- or long-term leases) | 28 | 16 | 4 | 2 |
| Room hire (on a day by day basis) | 21 | 24 | 2 | 3 |
| Access to computers and peripherals | 2 | 16 | 16 | 16 |
| **Office services** | | | | |
| Data entry/data conversion | 9 | 20 | 15 | 6 |
| Word processing | 6 | 19 | 21 | 4 |
| Desktop publishing | 6 | 20 | 18 | 6 |
| Printing | 10 | 21 | 12 | 7 |
| Photocopying | 4 | 18 | 19 | 9 |
| **Communications facilities** | | | | |
| Fax facilities | 5 | 23 | 19 | 3 |
| Message taking/phone minding | 20 | 22 | 7 | 1 |
| Call centre facilities | 38 | 9 | 2 | 1 |
| Contact address | 22 | 23 | 5 | 0 |
| Video conferencing facilities | 34 | 14 | 2 | 0 |
| Email addresses | 10 | 26 | 13 | 1 |
| Internet access | 3 | 19 | 22 | 6 |
| **Computers** | | | | |
| Computer consultancy and support | 14 | 20 | 11 | 5 |
| Selling computers and peripherals | 38 | 6 | 3 | 3 |
| Hiring out computers and peripherals | 26 | 13 | 7 | 4 |
| Selling software | 37 | 9 | 3 | 1 |

**Training**

| | | | | |
|---|---|---|---|---|
| General computer training | 3 | 12 | 10 | 25 |
| Internet training | 7 | 18 | 14 | 11 |
| Other training | 11 | 14 | 14 | 11 |
| **Internet** | | | | |
| Website development | 22 | 16 | 6 | 6 |
| Website maintenance | 27 | 14 | 3 | 6 |
| Website hosting | 37 | 7 | 3 | 3 |
| **Information** | | | | |
| Tourist information | 28 | 17 | 2 | 3 |
| Commercial information | 19 | 19 | 10 | 2 |
| **Other services** | | | | |
| Language translation | 33 | 12 | 4 | 1 |
| Abstracting, editing, proof-reading | 33 | 10 | 7 | 0 |
| Bookkeeping/accounts | 30 | 12 | 7 | 1 |
| Recruitment/employment agency/staff agency | 42 | 5 | 2 | 1 |

**Others not listed above (please specify)**

**Activities and services**

The provision of office services (photocopying, fax, etc.) and word processing continue to be important activities for almost all telecottages. Other generally important services include training (especially IT and Internet training), equipment access and desk top publishing. The "top 10" services were:

1) General computer training
2) Access to equipment
3) Photocopying
4) Internet access
5) Internet training
6) Other training
7) Word processing
8) Desktop publishing
9) Fax facilities
10) Data entry

# KEY ISSUES IN DEVELOPING A SUCCESSFUL TELECENTRE

The appointment of a resourceful, talented and energetic "local champions" (usually the telecentre Manager) is identified by many involved in the development of telecentres as being the key success factor for the effective set-up of a telecentre.

The UN report *"The Internet and Rural & Agricultural Development"* certainly highlights this as a major issue - pointing out that it is not sufficient to set up a room with computers and telecommunications equipment and hope that local people will use it. Enthusiasm by a few committed local people in setting up the telecentre is often the crucial difference between success and failure. This participation can ensure that local champions raise awareness amongst their peers as to the benefits of the telecentre can how it can meet local needs.

The UN also provides a twelve point checklist of how to set up a successful telecentre in a rural area. This list is summarised below:

1)      Work with the community to assess information and communication needs.

2)      Carry out an awareness campaign about the potential benefits of the Internet. Ensure key community leaders are involved in planning the awareness campaign as they will know the best ways of reaching the community (they will also learn about Internet benefits at the same time).

3)      Ensure you have the commitment of local government and non government agencies to the project.

4)      Identify and support local "champions".

5)      Involve the local community with the design, implementation and management of the telecentre.

6)      Make sure there is commitment within the community to maintain the telecentre in the medium and long-term.

7)      Involve all elements of the community including women and young people.

8)      Provide IT and telecommunications training and technical support

9)      Ensure PR is ongoing and maintained.

10)     Provide for ongoing technical support, system maintenance and hardware/software upgrading.

11)     Ensure the local community is consulted and committed to the financial infrastructure of the telecentre (e.g. fees, ownership of hardware, salaries of telecentre managers).

12)     Set up partnerships with local business, educational establishments and Internet service providers.

**The 10 Golden Rules**

During the ITU's Multipurpose Telecentre Seminar in Budapest (December 1998) the participants formulated their own 10 "golden rules" for telecentre managers. These "rules of thumb" were inspired by Kerry McNamara's presentation and developed further by conference participants with practical experience in setting up telecentres. The original list was slightly modified/expanded at an ad hoc working group of telecentre practitioners at the end of the Seminar - and are as follows:

1)      Be realistic about objectives and impact.

2)      One model does not fit all. Fit your model to your objectives and use existing infrastructures.

3)      Think about sustainability from the beginning.

4)      The role of the telecentre manager is crucial. Plan for their successor(s).

5)      Learn from and support each other.

6)      Beware of geeks bearing gifts. Technology is just a tool.

7)      Assess, adapt, assimilate.

8)      When it comes to marketing your services, size matters. Start big, or join network.

9)      Education, Education, Education

    –   raise awareness in the community;

    –   stimulate the interest of clients and sponsors train; and

    –   re-train users and workers.

10)     Consumers can be producers too (and vice versa).

Be lucky! Miracles can happen but don't plan on them.

# ROLE OF GOVERNMENT IN TELECENTRE DEVELOPMENT

## 1    Overview

"In the first wave [of] telecentres … there were no policies to guide their establishment. In fact, these early pioneers in the world telecentre movement were the exceptions who demonstrated the need for rural policies to exist at all. In Sweden, Canada, Wales and Australia, public policies for rural development, education and telecommunications were influenced and often led by our telecentre pioneers."

Taken from "LITTLE ENGINES THAT DID"

***CASE HISTORIES FROM THE GLOBAL TELECENTRE MOVEMENT***
IDRC Study/Acacia Initiative Prepared for IDRC by Richard P. Fuchs
Futureworks, Inc. June 1998 http://www.idrc.ca/acacia/engine/eng_9.htm

The level of government involvement with the development of  MCTs has varied from country to country. In the Scandinavian countries and in the United Kingdom the projects started as local community "self-help" initiatives – usually in rural areas. They gradually began to convince local and national government that the idea was worthy of government funding. This support enabled a large number of telecentres to be set up in a relatively short period of time.

However, the funding tended to be of a short-term nature and well before the telecentres had firmly established themselves the funding ceased. They became victims of the "funding crunch" – with many closing down. Those that did survive often had to reduce (or terminate) their social/community activities and re-focused their attention towards more commercial objectives. Today the opportunities for national government funding are limited – although the European Commission, in association with regional groups, has begun to support the establishment of telecentres as pilot research projects (into remote training, call centre provision, IT service centres, etc.).

In Australia the government's impressive telecentre support programmes were only initiated after they had already existed there for many years – once again promoted by local "pioneers". Whilst in Canada, federal and provincial governments adopted a special regional development agreement of support to further telecentre development. This was set up along with other rural informatics initiatives relatively soon after the first telecentre was established in 1989. However, financial support tends to be limited outside of the State of Newfoundland.

This situation is changing and new MCT initiatives – such as the one in South Africa – have seen government and non-governmental agencies having well developed policies with regard to rural telematics and telecentre development. In fact the Government of South Africa has committed to building hundreds of rural telecentres over the coming years. Whilst in Senegal, the state owned telecommunications provider, Sonatel, is looking for ways to take an urban-based information kiosk communications service and move it out to rural areas using an MCT model that is being introduced in other regions of Africa.

The range of previous experiences in this area includes situations where government involvement has been minimal as well as initiatives which have been established with substantial government support/direction. The purpose of this document is to provide a discussion framework for what

would be the ideal levels of government involvement in the development of MCTs, to help identify what the actual levels are likely to be and to identify how any deficiencies can be rectified (see also the discussion document on funding opportunities).

## 2 The funding crunch

Whatever the initial level of government or agency support for MCTs it is likely that there will come a time when that funding will stop and the telecentre will have to function independently.

For a telecentre to survive beyond the period of initial funding, they need to generate revenue. The time when such initial funding ceases is often referred to as the "funding crunch" and the timing of this can determine whether a telecentre succeeds of fails in the long-term.

Some telecentres may be able to access new and additional sources of funding and these could be accessed to fund the telecentre over the period while it sets up business services which could produce income. However, the withdrawal of funding can also cause many telecentres to shift their focus from providing community services such as IT training for the unemployed to developing highly skilled and more specialised business services as a means of achieving income.

As a result of this, many telecentres have tried to avoid the "funding crunch" by starting out with a commercial outlook and try to generate income from the first opportunity.

However, given that the withdrawal of funding can often means a reduction in community services some have suggested that a 'mixed economy' model *"one which combines public and commercial sources of income, relying on close links with public agencies, local firms and the local community"* is the most likely model to survive the funding crunch.

If the initial funding period is too short to allow the MCT to establish itself then concerns about the viability and financing of the operation can take precedence over setting up systems of management and control which are crucial to long term success. Such initiatives often require 2-3 years as a pilot stage – enabling management structures, objectives, future plans, etc., to be set up. After this stage, telecentres then need to concentrate the majority of their efforts on guaranteeing income streams or searching for new funding.

In some cases there will be no substitute for *some* form of continuing public support for maintaining MCTs in operation beyond the funding crunch.

## 3 National infrastructure issues

A report by the United Nations entitled *"The Internet and Rural and Agricultural Development"* provides useful advice – of relevance to government agencies - on setting up telecentres in rural locations. The report suggests that Governments have a major role to play in ensuring the success of telecentres in a number of areas.

One way concerns helping to set up a **national telecommunications framework** which encourages market flexibility and growth. The UN reports points out that: "Where telecommunication reforms have occurred, telecommunication services have expanded and improved at a faster pace, productivity has increased, new services have become available, and in some cases, international capital markets have been tapped effectively."

The UN report outlines the situation in rural Canada where the lack of a modern telecommunications infrastructure is a primary motive for people to re-locate from rural areas to the cities. For example thousands of people in rural northern Canada do not have a phone and are unable to send a fax. Economic development officers in these areas feel that improvements in the telecommunications infrastructure would provide a major boost to economic development.

Setting up a telecentre in a rural area can be a greater challenge than setting one up in a major city due to the often poor rural telecommunications infrastructure. This is often due to old phone lines and lack of government investment. The UN report details how "the percentage of *rural* Canadian adults who have used the Internet is less than 15%, or less than half the national average." However this is changing, as rural people become aware of the benefits of the Internet, they begin to press for improved telecommunications services.

For telecentres to succeed and grow within a country, the government also has a role in **encouraging a wide variety of non government and government agencies to share information and experience**. The UN report points out that leaders of these agencies must show through positive action that they are committed to sharing information not "information hoarding". The Western Australian example given in the Appendix to this document provides an excellent example of how the sharing of information – particularly in a structured and comprehensive manner – can be facilitated by government and can have benefits well in excess of the investment of funds and other resources. (Another good example of the formalised sharing of information and experience is provided by the USA CTCNet group of telecentres – see their online manual at http://www.ctcnet.org/howto.htm.)

The report stresses the point that when any technology initiative, such as setting up a telecentre is undertaken, the organisers must **involve representatives from local rural communities and local government and non government organisations who provide education, training, development assistance and health services**.

They also point out that setting up a telecentre and providing Internet access is not going to solve all the problems of a rural community overnight. However, when rural communities do have links to the Internet through a local telecentre, they are able to access new information sources and make contacts with organisations beyond their local community.

(There are also benefits for government and non government organisations when they are able to communicate electronically with rural communities. For example they can share information with local people about issues such as agriculture, fishing, forestry, education, health and nutrition. As a result the local farmers will be able to advise government agencies of their concerns and needs which should contribute to more effective government decision making.)

Some countries find that they have an initial body of **relevant services and applications**, as well as suitable interfaces and tools, already developed in their country/region (e.g. good levels of IT literacy or IT training resources, general business & marketing skills, generally high level of education, existence of Internet service providers). Such resources may include government and community information resources, electronic library and distance learning resources, including multimedia, CD-ROM based materials, tourist and trade information, as well as software in local languages.

Where such resources do not exist the local government can help the likelihood of MCT schemes succeeding by promoting their development. One particularly important area is **training – especially in information and communication technologies**. The experience of some Western countries (and the European Commission) in promoting ICT training schemes and ICT training qualifications in this area is worthy of consideration. In particular the United Kingdom has had considerable experience with its Teleworking National Vocational Qualifications (NVQs).

This NVQ is awarded at Level II and Level III – with Level II being targeted at teleworkers and Level III being targeted at managers of teleworkers and managers of telecentres. Details are available via the UK Telecottage, Telecentre and Teleworking Associations website (www.tca.org.uk) or by email from Bill Murray (small_world@compuserve.com).

APPENDIX 1

# 1 The Australian experience

An example of a government which has been very involved with the promotion of MCTs - an example which is not based on a massive injection of government funds - is provided by the Australian Government.

The Department of Commerce and Trade of the Government of Western Australia (WA) has a specific telecentre support unit. This provides a wide range of materials and support to groups who wish to start a telecentre. In particular one of their leaflets entitled "So You Want To Start A Telecentre" outlines a step by step process that communities can follow to set up a telecentre as follows:

1) "Contact the WA telecentre support unit.

2) Arrange a preliminary meeting.

3) Complete and submit the expression of interest form.

4) Arrange a public meeting.

5) Form a steering committee.

6) Carry out a survey of community interest.

7) Locate suitable rent free remises.

8) Find a guarantor.

9) Complete and submit your application for grant and business plan to the WA telecentre support unit.

10) Appoint a management committee.

They provide a general leaflet on telecentre services plus a list of frequently asked questions (and answers!) about telecentres.

## 1.1 Telecentre starter kit

The WA telecentre support unit produces a "Starter Kit" which outlines the steps that a prospective telecentre should take before applying for a grant. They request that the prospective telecentre should arrange a meeting with the telecentre support unit and complete an *Expression of Interest* form before working through the Starter Pack. The *Expression of Interest Form* requests information about the community in which the telecentre would be set up. In particular it asks for population and infrastructure details (e.g. schools, major roads, airports, banks, Internet access, government offices); description of major businesses, an overview of the employment/unemployment situation; telecommunication links available; reasons for setting up the telecentre and an indication of services it plans to provide.

The Starter Kit contains four sections:

• application requirements;

• roles and responsibilities of the telecentre management committee;

• how to appoint a telecentre coordinator;

• telecentre operations.

### 1.1.1 Application requirements

This provides the following information:

- How to arrange a public meeting.
- How to conduct a community survey including details of how to carry out face to face interviews and put together a mailed questionnaire.
- Types of premises.
- The importance of a guarantor.
- Guidelines on how to apply for a grant.
- Guidelines on how to write a business plan.

### 1.1.2 Roles and responsibilities of the telecentre management committee

This provides information on:

- Committee structure.
- Recruitment of committee members.
- A sample of a meeting format.
- Formal responsibilities of the Management Committee.
- Checklist of twelve steps for committee members to follow to ensure they meet their legal requirements and financial obligations.
- Guidelines on telecentre management issues such as incorporation, constitution, registration, banking, legal agreements, salary and taxation, pension contributions, memorandum of understanding and insurance.

### 1.1.3 How to appoint a telecentre coordinator

This provides detailed guidance on:

- a twelve-step checklist of the actions to take to enable effective recruitment, selection and induction of a telecentre coordinator;
- a sample job description;
- a sample person specification (list of essential and desirable skills, knowledge and experience required from a successful candidate);
- guidelines on how to avoid discrimination in the advertisement and during the interview;
- example recruitment advertisement;
- sample interview questions;
- how to take up references;
- how to offer employment - offer letter, contract;
- how to deal with unsuccessful candidates;
- sample confidentiality agreement between the telecentre manager and telecentre.

**1.1.4    Telecentre operations**

This provides information on:

•    Equipment guidelines on answering machines, binding machines, CD writers, computers, digital camera, Internet and Internet service provision, Internet booths, laminator, modem, office furniture, paper shredder, photocopier, printer, scanner, software, telephone, TV, Uninterrupted Power Supply, Video, Videoconferencing, Zip drive.

•    Lists potential telecentre "money makers".

•    How to carry out successful marketing and promotion.

•    Example of successful marketing strategies.

•    Bookkeeping guidelines.

•    Suggested format for a telecentre coordinator's monthly report to the telecentre management committee.

•    Information on liability for negligent advice.

# FUNDING OF MULTIPURPOSE COMMUNITY TELECENTRES

Some form of public sector (i.e. government) support for telecentres has been a common feature of the development of MCTs in industrialised countries. Telecentres will typically have been started through some sort of public funding - sometimes supplemented with some grants from the national telecom operator or very large companies who wish to demonstrate their support for local, community based, self-help initiatives.

Public funding is usually given for limited period of time. It is either given as part of a government programme with a limited lifecycle or because the intention is to finance the start-up costs for a centre which should become economically viable in the long term. Many countries have developed national programmes supporting MCTs and at the international level the EU has initiated a number of supporting programmes for both European Union and non-European Union countries.

Increasingly, however, the trend has been for governments to look to local voluntary groups to find all, or at least the majority, of the funds needed to fund the set-up and ongoing costs of telecentres. This has led to telecentres in the industrialised world increasingly concentrating on providing services which provide a commercial return – or to seek support from (or partnerships with) the private sector.

## 1       ITU integrated rural development – Action plans

The International Telecommunications Union have recognised this trend towards telecentre "partnerships" and have also been trying to assist the development of such partnerships. The Tunis MCT seminar has been organised to assist this process, as has the following ITU advice.

## 1.1     Potential partners and coordination arrangements

"Satellite and radiocommunication equipment and service providers are potential partners in pilot projects which will contribute to developing their markets. Other stakeholders in industrialised countries include the suppliers of fibre optic systems, solar power supplies, VSAT systems, mobile earth stations, communication terminals and other low-cost, dust-, and heat-resistant communication equipment for rural telecommunications, as well as providers of IT equipment (computers, Multimedia, etc.) required in the Community Telecentres. Broadcasters and entertainment business would also benefit insofar as Community Telecentres offer a shared facility for reception of broadcast and, for example, video-on-demand.

Cooperation with bilateral cooperation agencies, other UN-agencies involved in IRD, such as FAO, UNCTAD, UNDP, UNESCO, UNIDO, UNEP, UPU, WHO, WMO, WTO and the World Bank and the Regional Development Banks is considered by the ITU to be an essential condition for such programmes to achieve the ITU long term goals (Community Telecentres and Telematics are complements to basic telecommunications and are only means to achieve development goals, so from the perspective of other organizations this programme may be considered as one contribution among many others).

The concept of Community Telecentres, has for some time been successfully tried out in rural areas of Europe, North America, Japan and Australia which have many characteristics in common with developing countries. National, Community Telecentre associations and CTSC International (which has assisted Brazil and other countries) may also be partners in a global programme for further development of such centres.

Other partners are non-governmental organizations, foundations and associations involved in community development, teleworking, teletraining, tele-health care, and, not least, in the development and delivery of distance learning resources, e.g. the Commonwealth of Learning, the various consortia participating in the European Union 4th Framework RDT Programmes for Telematics for Education and Training, the International Development Research Centre (IDRC) of Canada, the US "Global University" and other similar initiatives developed in Australia and Japan.

**Contributions** can be made as grants/loans or **in kind**, for example by providing:

• specialists for participation in the planning of networks, studies of appropriate rural telecommunication technologies, specification for equipment, etc.;

• telecommunication services free or at reduced tariffs during pilot projects;

• equipment for Community Telecentres (communication terminals, computers and multimedia hardware), on loan or as grants.

## 2 Recent experiences of private/public sector support partnerships

The trend towards the involvement of private sector players and the more general move to the privatisation of telecommunications in developing countries has presented both a challenge and an opportunity. Ideally, privatisation means more competitive and technologically agile telecommunications institutions and services. It can also mean that competitive pressures might lead the telecommunications sector to "ignore the late majority and the laggards" as has often been the case in the past.

*"The fact of the matter is that the communities in which most of our telecentres arose would have been ignored by both public and private policy and practice in terms of access to the tools of the Information Society. The new capacity which telecentres bring to people in their communities would not have otherwise occurred precisely because these geographically and socially remote communities have been ignored for a very long time. They are accustomed to adopting end of product-life-cycle technologies, products and services which never give them an advantage. They are almost always in a "catch-up" position. ...Telecentres change that."*

This concern, taken from a UN report "The Internet and Rural & Agricultural Development", has been repeated in a number of reports by telecentre practitioners, worried about the development of a world of "information have's and information have nots".

## 3 Funding lessons drawn from the ITU Budapest Seminar – December 1998

**The ITU Multipurpose Community Telecentres (MCTs) seminar in Budapest - December 1998 - had a number of presentations which touched on the subject of funding for telecentre projects. The following analysis summarises some of the points made in Budapest (See www.itu.int for the full Budapest Seminar Report.)**

Telecentres set-up by special programmes can be funded either by domestic sources or through international development agencies such as ITU, UNESCO or IDRC. A number of presentations discussed various telecentre initiatives taken by international development agencies. These organisations have supported establishment of telecentres in a number less favoured nations such as Benin, Mali, Tanzania, Uganda and Surinam. International support to MCTs are also given to countries in East Europe. Business Communication Centres have been established through support from the European Union programme for technical assistance to the Commonwealth of Independent States (TACIS). Eleven BCCs have been established in Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Moldova, Russian Federation, Ukraine, and Uzbekistan, and more BCCs are under establishment. In Hungary, the Soros Foundation has been donated equipment for a number of telecentres and USAID has also contributed to the national telecottage programme.

An example on how an international agency can contribute to the growth of telecentres on a purely commercial basis was provided by WorldTel. WorldTel is a private limited company and was established on the initiative of ITU. WorldTel has developed an economically viable model for rapid penetration of the Internet in emerging markets through the establishment of community Internet centres. WorldTel plans to establish Community Internet Centres in Indian towns and other regions.

Other countries have created their own special programmes funded by domestic sources. South Africa have created a universal service fund who will provide support to establish a network of more than 2 000 telecentres throughout the country. This activity will be funded by the national telecom operator.

In this case it is difficult to make a sharp distinction between demand driven MCTs with a commercial orientation and telecentres set up as part of a special programme. Most centres have a commercial orientation and have been created as the result of a local initiative, but they have also received some type of financial support. In addition many MCTs generate a substantial part of their income through provision of services to the public or participation in public funded projects.

The general experience has been that tele-based community centres, which are independent and not integrated in a larger organisation, have found it very difficult to survive on public grants alone. Sooner or later they have to generate their own funds.

One important exception to this is Western Australia, where telecentres can receive some public support on an ongoing basis. This provides an interesting example of a viable model for telecentres, which with limited financial support can significantly contribute to community development.

## 3.1     Western Australia

Western Australia is probably the least populated area in a high income country. Although it is the largest state in Australia it has only a population of 1.7 million, with two thirds living around the capital. More than half of the rest live in regional centres. Some 200 communities are spread over a vast area. It is in these communities that the WA telecentre network directs its services.

The network today comprises of 51 operational centres with an additional eight who have recently received funding. A further 61 communities have indicated their desire to join the network. In total, it is planned to establish 100 telecentres. The centres are located in towns of 200-600 people and are usually at least 50 km from each other.

Telecentres can receive public funding from the State Department of Commerce and Trade. New centres can receive funding for equipment including telephone connection costs up to AU$ 30,000. Existing centres can be supported with up to AU$ 20,000 per year for salary costs.

To be eligible for support, the telecentre needs to have some backing from local Government or the community. (For instance the telecentre building might be provided rent free/maintenance free by the community.) Additional funds can be obtained for specific projects if these can demonstrate regional development or employment opportunities.

Although the centres may receive state funds they are community owned and managed. It is also important that they generate their own income.

## 3.2     Hungary

Hungary had 53 telecottages in operation in 1998 and many more are planned. The National Telecottage Programme has received funding US$ 0.4 million from the Government. International funding has been received from USAID and the Soros Foundation.

However, the telecottages are established as local community initiatives and they stress that they are not a part of the public authorities. Their objective is to prevent migration from rural areas through the provision of telecom access, job training and careers advice for the local population. The services provide by the MCTs are:

- Information dissemination
- Education
- Office and business services
- Communication Services
- Consulting
- Community services
- Social care.

An interesting aspect is that many of these services not are directly related to ICTs (Information Communications Technologies).

## 3.3     United Kingdom

Telecentres have existed in the United Kingdom since the late 1980s (one claims to have been in operation since 1975) but the 1990s have seen UK telecentres numbers grow to over 200. Most UK telecentres started with some government support and many continue to receive some sort of public sector backing – if at a lower level than when they were originally set up. A 1998 survey of UK telecentres found the following facts with respect to ownership, funding and income.

**Ownership and funding**

Almost 30% of the responding centres are privately owned - an small increase on 1994 - and a similar percentage are funded primarily by central or local government (a small decrease). The remaining 40% have a mixture of public/voluntary/cooperative structures. Of the 15 private centres all but one started life as privately funded. In fact very few centres have changed their ownership structure - with only one moving from public funded to private funding and two changing to charitable status from public sector ownership.

The provision of grants, equipment and other funds obviously played a large part in the initial start-up of almost three quarters of the centres. Funding included assistance from the European Commission (especially ERDF & various EC Programme Grants), TECs, Local & Central

Government, RDC, SRB and companies (e.g. BT, Barclays & Apple). Privately funded centres relied on the personal resources of the owners, bank loans, subsidies from existing businesses and "borrowed" equipment.

Just over one third of the centres now rely entirely on commercial operations. Some of the other centres have a predominately commercial focus but rely (to varying degrees) on training grants, local authority support or European Union funded initiatives to balance the books. However, almost 40% of the centres rely almost entirely on some form of ongoing public funding for their continued existence.

It would appear that fewer centres now have their premises provided at a favourable rent. Whereas only 12 of the centres paid a market rent in 1994 that number has now increased to 20 (40%). However, the number of centres provided with totally rent free accommodation has remained stable at around 30%.

**Financial position**

Over half of the respondents provided an estimate of their annual revenue. This figure was broken into two parts – commercial income and grant (or other) income. Due to the relatively small sample size and the large spread of the figures provided the "average" (or mean) figure does not provide a very representative result. Instead we have relied on the "median" – which takes better account of the "skew" caused by responses which are "untypical" (e.g. one centre claimed to have an annual income of £ 2 million) .

The median level of grant received per annum (excluding those who claimed not to receive any grants) came to £ 29,750. The median income level was £ 25,000 per annum - although one centre claimed to have an income of £ 500,000 per annum. A "representative" total turnover figure could therefore be expected to be around £ 60,000 per annum.

**What was the financial situation of the centre in the last financial year?**
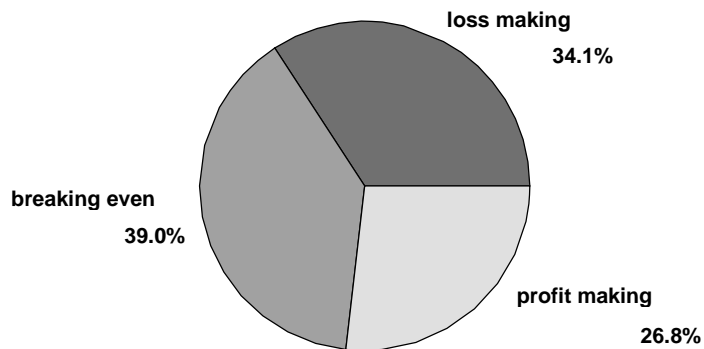


More than twice as many of the centres were making a profit now compared with 1994 and two thirds of centres were either profitable, or broke even, in the last financial year. We also asked the Centres to indicate what their performance last year should have been. This revealed that of the 14 loss making centres 8 had "intended/expected" to be loss making last year (generally those receiving public support for almost all of their running costs).

## 3.4    Canada

The UN report  "The Internet and Rural & Agricultural Development" (distributed in Budapest) provided details on an interesting new government initiative which has recently been established in Canada. Known as the Community Access Programme (CAP) it has greatly enhanced rural Internet access by providing over 800 grants to rural and remote communities with the greatest need for Internet services.

The CAP project works by encouraging community organisations to submit grant applications containing "action plans, resource needs, evidence of community support and evidence of matching in-kind and cash contributions." These bids are evaluated depending on community needs and whether there is commitment to local projects. The maximum grant is $ 25,000 with most successful candidates receiving between $ 4,000 and $ 18,000. The prospective telecentre is encouraged to make partnerships with schools, colleges, universities, hospitals and clinics and local non government organisations.

The CAP initiative is "community driven funding" because local people have to establish the technical requirements of the telecentre, investigate options for telecentre sites and investigate means of financial sustainability in the long term. Funding is generally more likely to be awarded to those projects who have firmly established community needs and have carried out research into ways of sustaining the telecentre. The administrators provide guidance to rural communities about writing applications for funding and facilitate communication between established CAP telecentres.

## 3.5    WorldTel

WorldTel is a private limited company incorporated in UK and established on the initiative of ITU. WorldTel has developed a economically viable model for rapid penetration of the Internet in emerging markets through the establishment of community Internet centres. The WorldTel Community Internet Centre is a modular cluster of hardware, software and services available at strategic locations like schools, colleges, shopping areas, hospitals, post offices, railway/bus stations and cooperatives, etc.

The services offered are internet access, email, voice-mail, phone, fax, photocopying, text processing and applications like utility bill payments, travel bookings, forms/notification printing, etc. Training will also be provided eventually.

The centres will support a wide range of different areas such as basic needs, government services, education and business. The concept is being developed in Asia and Latin America and expects to have at least 2 000 centres in operation by the year 2000. Centres will either be established on a franchise basis or owned directly by WorldTel.

Centres usually cost $ 15-25,000 depending on the configuration. Revenues for the WorldTel project come from revenues from the community centres owned by WorldTel, franchise fees, from franchised centres, lease rental for dedicated access to businesses and revenues from Internet commerce and advertising. The majority of the centres will be able to generate an acceptable rate of return. Revenue coming from dedicated access and Internet commerce will finance investment in a backbone network, where incumbent operators rates are very high.

## 3.6    World Bank support

The World Bank is still in the early process of developing an integrated strategy on ICT, rural access and rural development. The approach has two angles: rural focus on telecom facility projects and integration of ICT issues and tools into rural development.

Rural access to telecommunications is a growing focus of the efforts of the World Bank. Today there are rural telecommunications projects in more than 15 countries. These projects are made in a context of reforms based on liberalisation and private participation. The main focus is on provision of advice, financing of policy and regulatory studies on rural strategies and some pilot schemes.

The Bank believe that access to communication is essential for the development of rural areas and rural communities are often prepared to spent a larger portion of their income on communications. Access to communication by the poorest is central to the World Bank policy. The Bank also support policies which promote communication in rural areas and will under certain circumstances finance rural communication infrastructure.

## 3.7 European Commission

The European Commission has recently announced a major new ICT support programme (referred to as Framework V), which will be likely to support the further development of MCTs. Some of the funds for this programme will be allocated to developments in non-European Union countries. In particular the countries of Eastern Europe (former Soviet Block states) and "Mediterranean" North African countries are likely to feature in such supported projects.

It is likely that proposals featuring particularly disadvantaged groups, "novel ideas" and/or EU partners will be viewed in an especially favourable light – however, there are no strictures insisting that proposals must all be of this type.

A range of other EU programmes provide support for "technology transfer" and "educational exchange" projects in developing countries – and MCT based initiatives are likely to also fall in this category.

# TELECENTRE BUSINESS PLANS

As with any business enterprise MCTs should be established (and supported) on the basis of a clear understanding of how much they will cost to establish and how set up and ongoing costs will be funded (i.e. by grants, income form sales, voluntary contributions, etc.). The development of a business plan can help those involved with the setting up of MCTs to come to a more realistic view of the potential for success of their proposed project. Such plans can also help their partners/supporters to understand the level of commitment expected from them - and the returns (financial or social) which they can expect from their involvement with the initiative.

In many cases government or agency support is dependent on the production of a well argued and realistic business plan. Some governments (as in Western Australia) provide the MCT project teams with an outline business plan - together with instructions/advice on how to complete the plan.

The following discussion of MCT business plans is largely based on the excellent "Centre start-up Manual" developed by the CTCNet group based in the USA. Printed copies of the complete manual are available for US$ 25 from CTCNet/EDC, 55 Chapel Street, Newton, MA 02158, USA. Alternatively, the manual can be accessed online at: http://www.ctcnet.org

*(CTCNet is an expansion of the USA "Playing to Win Network". CTCNet serves as a support mechanism for Community Technology Centers (CTCs). CTCNet Affiliate Members are independent community services, social action and/or alternative education agencies or programmes.)*

## What is a business plan?

"A business plan is a verbal picture of your project. It tells other people what you are going to do and how you plan to do it. It lets others know that you are serious about your project and you have taken time to consider all the relevant issues."

A business plan can help a telecentre in a number of ways as follows:

• as a guide to help set up and run the telecentre;

• to illustrate to partners and funding bodies why you need their help;

• as a template for fund raising proposals and bids;

• as background material for staff and volunteers;

• as documentation to accompany the annual accounts.

Telecentre management and their sponsors/supporters should re-examine the business plan annually. Experience may mean that changes have to be made to the plan.

*(A Skeleton business case model - developed by the ITU's Johan Ernberg for a Conference in Toronto, Canada in 1997 - is provided as an Annex to this document.)*

# BUSINESS PLAN SECTIONS

## 1    Project definition

### 1.1    Needs assessment

This section should:

• define the community the telecentre is aimed at e.g. a small village, suburb of a city, etc.;

• describe the steps that the telecentre management have taken to determine community needs, e.g. conducting focus groups, interviewing members of the community, developing partnerships with other community agencies;

• summarise the results of the investigation of community needs.

### 1.2    Project description

This section should aim to answer the question "What is the aim of the telecentre and what services will it provide to meet community needs?"

Specifically the program description will contain:

• the name of the telecentre;

• the scope, goals and objectives of the program;

• the opening hours of the telecentre;

• telecentre staff;

• the anticipated results.

The following is an excerpt from the "CTCNet Start Up Manual" about a telecentre working with a local school to provide after school computer training for pupils.

"The goal of the after school program will be to broaden the computer knowledge of school children by introducing them to software applications not generally part of their school curriculum. The program will be supervised by one teacher for every ten children and will be held every afternoon, Monday to Friday, from 3-5.30 p.m. The activities will centre around multimedia projects using sound and visual imaging. The children will use the world wide web as a resource for project materials. The results will be that children will do better in school, will improve their language and communication skills, and that fewer will get into trouble."

### 1.3    Community partners and sponsors

This section will specify the community partners and sponsors who are involved in the telecentre project. In particular it will describe:

• how the community partners were identified;

• the partnerships that have been established;

• the role of each partner and what they expect in return for their support;

• how the relationship will be sustained over time.

(Remember community partnerships and sponsorships can involve contributions of space, hardware, software or furnishings from the business community; participation by professionals or representatives from Government agencies; technical advice or assistance/computer maintenance and repair from IT companies.)

## 1.4     User projections

This will detail:

- the number of people expected to use the telecentre facilities;
- the projected increase in telecentre users as it becomes established ;
- an example of a weekly/monthly schedule of activities;
- an changes made to the schedule during school holiday and other holiday periods.

However this section will only be a projection. As the telecentre becomes operational - collect figures of the numbers of people who use the telecentre and then change this section of the business plan accordingly.

## 1.5     User fees

This will indicate whether to charge a fee for the use of telecentre services or whether it will be made free to some or all (in which case the funding source should be provided).

For example decide if there will be different charges for children who use the telecentre services or for groups outside the community.

You may decide you don't want formal charges but instead request a donation. On the other hand if business people use the telecentre you may decide to charge them more than say an unemployed person using the telecentre facilities to look for work or improve their skills.

## 2     Operation plans

This section of the business plan outlines how to start the telecentre and keep it going in the future. It contains the following sections: organisation, timescales, start up needs, ongoing needs, communications and possible problems and solutions.

## 2.1     Organisation

This section will include information on:

- the governing body of the telecentre, its members and responsibilities;
- the person in charge of the telecentre on a daily basis and who they report to in the governing body;
- requirements for other staff other than the telecentre manager, their hours and duties and who they report to;
- a description of the performance review process and the human resource strategies used for recruitment and remuneration of staff.

In particular this section might include an organisation chart plus job descriptions for the staff and volunteers plus person specifications detailing qualifications and experience required.

## 2.2    Timescales

This should list the major steps to be taken to set up the telecentre. Include a project plan with key target dates highlighted, the period of time required to achieve the stages of the project plan and who is responsible for achieving the tasks outlined in the project plan.

## 2.3    Start up needs

This section should include all the products and services required before the telecentre can open and the amount of expense these will incur. These needs can include office space, equipment, hardware, software, furniture and supplies. In the business plan you should indicate how these will be acquired and when. For example you may decide to employ a telecentre manager to set up the telecentre three months prior to opening. Not only does that individual's salary have to be budgeted for, but the costs of their office space, equipment, heating and lighting and stationery need to be taken into account when listing the start up needs.

## 2.4    Ongoing needs

It is important to specify the daily expenses of running a telecentre. If these costs are not specified, then the telecentre could find that its budgets become unworkable as there could be large amounts of expenditure which have not been planned for. The ongoing costs of a telecentre are likely to include the following:

*        space (rent, heating and lighting, security, insurance, maintenance and cleaning);

*        staff (salaries, benefits, taxes and perks for volunteers such as travelling expenses);

*        promotion and advertising;

*        equipment and furniture (repair and replacement);

*        software (purchase, upgrades and replacement);

*        computer and office supplies;

*        online services and internet accounts and telecommunications access charges;

*        magazines, reports and other reference material.

## 2.5    Communication and publicity

This outlines how you intend to publicise the existence, location, opening hours and services of the telecentre to the local community. As the CTCNet Start Up Manual explains it is "a popular misconception about telecentres is that you put computers in a room, open the doors and people come. In fact there are many reasons that this simply does not happen: people don't know about the telecentre; they don't think it's there for them; they are shy about their self-perceived ignorance; they have no idea what being able to work with a computer can do for them".

Specifically this section of the business plan might include a description of:

*        the type of media you will use to publicise the telecentre;

*        the promotional materials you will generate;

*        details of any meetings which will include personal presentations;

*        the PR contribution from community partners;

*        how you will publicise the telecentre to individuals who cannot read, may speak a different language or who seldom leave their homes.

## 2.6    Self-assessment and program evaluation

Here the business plans describes how the telecentre will monitor its own performance. In particular it will outline the actions that will be taken to accumulate data and how achievements will be measured in relation to the stated aims and objectives of the telecentre.

## 2.7    Possible problems and solutions

Here you should highlight what problems you think your business plan may encounter. This shows that you have thought about your business plan seriously and how it will operate in reality. Moreover by considering potential problems and possible solutions, if you do encounter difficulties you will be better prepared for such eventualities.

Potential problems could include:

•       hardware breakdown or technical problems but with no technical assistance present;

•       not sufficient numbers of people using the telecentre or too many people using the telecentre and the resources are not sufficient to cope;

•       scheduling plan not appropriate for those who want to use the telecentre (e.g. if you want to encourage women with children to use the telecentre the timing of any computer training courses should allow the women to take their children to school);

•       failure of fund raising bids and initiatives;

•       inability to recruit and retain effective volunteers;

•       space problems - too hot, too cold, not enough space, access difficulties, lack of disabled access, vehicle access problems.

It is a good idea to choose two or three of the problems you think are most likely to happen to your telecentre and write a short paragraph describing how you will overcome these problems and the types of strategies you will use.

## 3    Financial planning

## 3.1    Preparing a cash flow statement

The object of this section is to demonstrate the capability of the telecentre to raise sufficient revenue to support its expenses. It will include a cash flow sheet including the expenses for start up and ongoing costs for at least a year. It is useful to include the ongoing costs in the form of monthly budgets for operating expenses.

If the telecentre is going to be run purely for profit then the cash flow sheet will detail the charges made to people for using the telecentre facilities. However it can be argued that if the telecentre is just in existence to make money, it is more likely to become a business centre offering office, IT and telecommunications services and have a limited social remit, if it has one at all.

However if the telecentre is being set up to provide opportunities to people who would otherwise not have the opportunity to use the technology because they can neither afford the technology itself or the training, it is unlikely that a fee structure designed to support the telecentre financially would allow it to achieve its fundamental objectives.

## 3.2     The financial narrative

This should describe the budgeting process undertaken by the telecentre. It will also describe the research effort previously carried out to access funding and other support. Plans for applying for funding in the future should also be included. If the telecentre has managed to secure support which is not purely financial but for example is in the form of the supply of goods and services at a preferential rate, this should also be mentioned.

If the cash flow statement shows negative cash flow in some areas, the narrative should outline how these plan to be addressed. In particular you should include other possible sources of income with realistic estimates of how much revenue these other sources will generate. An example provided by the CTCNet start up Manual is as follows:

| | |
|---|---|
| Start up costs | 14,600 |
| Anticipated revenue | 12,500 |
| Bank | 4,500 |
| Local Govt | 500 |
| Grant | 7,500 |
| Shortfall | (2,100) |

The CTCNet manual suggests that a solution to this shortfall would be as follows: "To meet this shortfall, the telecentre will secure £ 100 contributions from twenty one local businesses. Each will receive a certificate of appreciation of their efforts as founding members of the telecentre."

## 3.3     Presentation and revision

Give the financial statement to an accountant (or suitably qualified person) to check and take note of the feedback they provide. Make any appropriate changes.

Use the cash flow statement during the first year of set-up and operation to monitor and adjust the projections. Carry this out on a monthly basis, using actual income and expenditure figures from the telecentre. This will help you to determine more realistic forecasts for future years.

## 4     Presenting the business plan

To make the business plan look the important document that it is and to ensure it is professionally presented and reflects the hard work you have put into it - remember to:

•     attach any additional reports such as a floor plan for the telecentre, letters of support from partners, an organisation chart, CVs of telecentre managers, personnel policies and cashflow statement;

•     write an executive summary. This should appear after the table of contents and encourage the reader to examine the rest of the report. It should be short, preferably no more than one page and should present the highlights of the plan and other details as follows:

–     the telecentre governing body ;

–     what you are planning;

–     why you are planning it;

– how you will do it - a description of your plan;

– when you will do it - outline timescales;

– what will happen - highlight expected results,

• include a table of contents;

• include a cover page with the name of the telecentre, names of the governing body, the fact it is a business plan and month and year of publication;

• choose a good quality but not too expensive binding;

• make enough copies.

APPENDIX 1

**Business case model - Example**

In a paper given at the Global Knowledge Conference - GK'97, Toronto, 22-25 June 1997, on "Universal access through Multipurpose Community Telecentres - A Business Case", Johan Ernberg of the ITU (ernberg@itu.ch) outlined a "costed" business case for telecentres based on a variety of assumptions. Here we have stripped the figures out of that business case to provide a rough business case "checklist".

This business case checklist for MCTs is based on the assumption that an initial body of relevant services and applications, as well as suitable interfaces and tools, have already been developed in a country/region through pilot projects and other efforts.

Such resources may include government and community information resources, electronic library and distance learning resources, including multimedia, CD-ROM based materials, tourist and trade information, as well as software in local languages.

Where such resources are not already in place there will be a cost and resource implication for developing them as part of a national or regional "telecentre infrastructure.

# PROVISIONAL BUSINESS PLAN FOR A MULTIPURPOSE COMMUNITY TELECENTRE

## 1 Initial investment

Building and furniture
Basic MCT equipment and resources (see Annex 1, below)

## 2 Annual costs

Depreciation cost - building 25 years
Depreciation MCT equipment 10 years
Finance cost
AO&M, including a leased 64 kbs line 76

## 3 Annual revenue (income) examples

Telecom (public phones + fax)
Office rental - hours per day
Internet - 100 sub's. @ $/month + 200 additional hours
email - 1000 sub's. @ /month or 500 subs @ $ month
voice mail - 100 sub's @ $/month
Photocopy/printing - 350 copies day
Training courses - 250 students year
Video viewing - average 5 viewers a day

### Additional sources of income for the MCT and indirect benefits

The following *additional* potential revenue streams are likely to be more difficult to estimate but may contribute to the assumed income of the services listed above.

- Rental of facilities for distance public education
- Rental of facilities for telemedicine
- Computer processing services
- Postal services
- Banking services
- Website (home page) design and hosting
- Advertisement fees - sponsoring

(Also see the separate note on potential telecentre services.)

Any assessment of the business case for MCTs should also take into account the indirect *economic* benefits, such as improved productivity and increased trade, savings in transport, improved quality of life and reduced cost of health care and education. In particular, one may expect that some additional jobs will be generated, thanks to the MCT (e.g. software development, translations and other forms of distance work) as well as those jobs directly related to the functioning of the MCT.

## Sample equipment and resources "Checklist"

| MCT equipment and resources | |
|---|---|
| **Item** | **Qty** |
| Smartcard Phone booth, outside (one pay card, one coin) | 2 |
| Phones with counters | 6 |
| Fax machine | 2 |
| Photocopier or RICO + maintenance | 1 |
| Flatbed colour scanner | 1 |
| Multimedia Pentium PC with 16 MB RAM | 8 |
| 2511 router with 2 sync and 16 async ports | 1 |
| LAN/Internet Caching/Audio Server Pentium PC, 32 MB RAM | 1 |
| CD-ROM jukebox | 2 |
| CD-ROM products | 20 |
| 16 port 10BaseT LAN hub | 1 |
| LAN Cable (10m lengths) | 16 |
| Ethernet card | 9 |
| Microsoft NT Server software | 1 |
| MS Windows 95/Office, 10 user site license | 1 |
| Microtouch Prospector Touch Screen add-on | 4 |
| Overhead projector screen | 1 |
| Colour overhead projector with computer and video input | 1 |
| Laser printer | 2 |
| Colour printer | 1 |
| Large TV (29"), antenna, etc. | 1 |
| Video recorder | 1 |
| FM/AM/SW Radio | 1 |
| Application Software | 1 |
| Power stabiliser/safety equipment | 1 |
| Solar Panel / Inverter /Batteries | 1 |
| Voice mail services equipment | 1 |
| Stand-by generator unit | 1 |
| Installation | 1 |

| Telecom equipment | |
|---|---|
| **Item** | **Qty** |
| Two hop Digital MW link | 1 |
| Installation + material | 1 |
| Self supporting steel tower | 1 |
| Rural automatic switch 256 ports - radiobase station - wireless access | 1 |
| Telephone sets | 40 |
| Rectifier and batteries | 1 |

| **Annual MCT AO&M recurrent costs** |
|---|
| 8 staff, including mgr, support staff & driver |
| Consumable, including books |
| Transport (optional) |
| Equipment repair |
| Leased line PTT (64 kbs 3000/month) |
| Internet access |
| Subscriptions magazines, etc. |

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