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The U.S. Government's Global Hunger & Food Security Initiative

Closing the Gap: A Synthesis Report on the Cases for the ROI of Women's Inclusion

FEED THE FUTURE MARKET SYSTEMS AND PARTNERSHIPS (MSP) ACTIVITY
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The below timeline graphic shows where the Synthesis Report fits into the overall Women-Inclusive Return on Investment (WI-ROI) workstream.



Return on Investment of Social Inclusion: An Evidence Gap Analysis from Developing Countries

01

This brief analyzes the existing literature from developing countries on how firms invest in social inclusion and measure return on investment (ROI). *Target audience: those who want an in-depth understanding of how the Framework works.*

Women-Inclusive Return on Investment (WI-ROI) Framework

02

This framework builds on an existing body of evidence and research around the business case for investing in women's inclusion. *Target audience: implementer and private sector partner focused, with practical metrics included.*

Case Study Series: Women-Inclusive Return on Investment (WI-ROI)

03

These case studies profile select small- and medium-sized enterprises (SMEs) that implemented a women-inclusive intervention and can demonstrate financial returns for that investment. *Target audience: donors and implementers who want a practical example of how to implement the Framework.*

Closing the Gap: A Synthesis Report on the Cases for the ROI of Women's Inclusion

04

The findings, benefits, and considerations of the WI-ROI approach are summarized in this brief to promote further understanding and implementation. *Target audience: USAID, donors, and managers of private sector engagement funds who want to further develop evidence on the financial return of women-inclusive investments.*

The Feed the Future Market Systems and Partnerships (MSP) Activity is advancing learning and good practice in market systems development (MSD) and private sector engagement (PSE) within USAID, USAID partners, and market actors. For more information, access to technical resources, and opportunities to engage, visit www.agrilinks.org/msp.

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CLOSING THE GAP: A SYNTHESIS REPORT ON THE CASES FOR THE ROI OF WOMEN'S INCLUSION



Key Takeaways

1. “WI-ROI”—women-inclusive return on investment—refers to a return on investment (ROI) that measures the financial success of investments that specifically aim to include and empower women.
2. The USAID-funded WI-ROI Framework has proven to be a scalable and flexible tool that allows fund managers and development practitioners to evaluate the performance and sustainability of business investments in gender equality and women’s inclusion across contexts, sectors, and companies.
3. Two companies studied demonstrated a positive WI-ROI from their investments. The cases contribute to the growing evidence base that women-inclusive investments can lead to positive financial outcomes for businesses—including for SMEs in LMICs.

Background

Given the evidence and positive impact of gender equality on financial and social outcomes, women’s inclusion and empowerment in the private sector are increasingly recognized as core objectives for many investors, fund managers, donors, and implementers. However, most of this evidence is generated from large companies in high-income countries, even though small- and medium-sized enterprises (SMEs) are vital employers and key to creating jobs. SMEs account for 90 percent of businesses, more than 50 percent of employment, and create two out of three jobs globally. (World Bank, 2022) SMEs are also more likely than large companies to hire from marginalized groups experiencing higher unemployment. (ILO, 2019) Consequently, SMEs in low- and middle-income countries (LMICs) present a critical investment opportunity to advance inclusion.

To address this evidence gap, the [Feed the Future Market Systems and Partnerships \(MSP\) Activity](#) examined existing evidence on women-inclusive investments in SMEs in LMICs and conducted primary research with firms. Based on the research, MSP developed the [Women-Inclusive Return on Investment \(WI-ROI\) Framework](#) to provide development practitioners and impact investors with a better understanding of SME practices and incentives for women-inclusive growth.

Using the WI-ROI Framework as a foundation, MSP then published case studies in partnership with two SMEs in Ethiopia and Uganda to highlight promising models of women-inclusive investments. Leveraging financial data from these selected firms, the research team calculated the ROI, tracking revenues, costs, and financial returns to underscore the business value of these investments and build a credible evidence base.

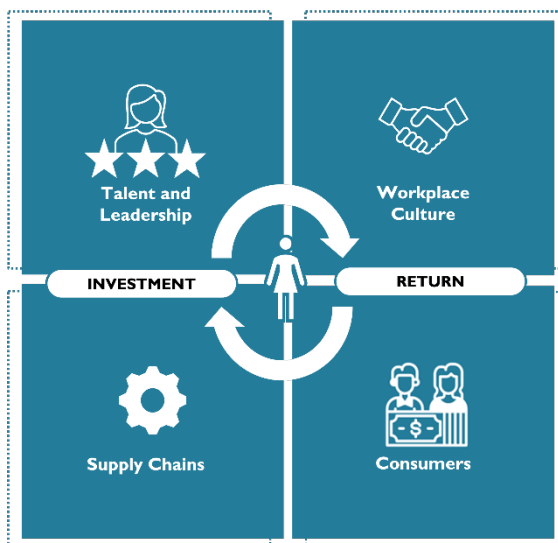
This synthesis report encourages USAID, other donors, and managers of private sector investment funds to further develop evidence on the financial return of women-inclusive investments. Closing the evidence gap for LMICs could catalyze locally led and sustainable investment strategies in inclusive business, while the WI-ROI approach serves as a scalable evidence model with low-cost, rigorous, and localized learning. This report summarizes the findings, benefits, and considerations of the WI-ROI approach to support further understanding and implementation.

How the WI-ROI Framework Was Tested

The selection of case studies followed criteria to ensure robustness and relevance to the WI-ROI Framework. The companies selected were based in LMICs, qualified as SMEs, had already made a women-inclusive investment, and were willing to share relevant financial and cost data. Case studies were selected to provide insights into one of the four business strategies defined by the WI-ROI Framework: Grean World's case benefiting women as *Consumers* and Okeba's case in *Workplace Culture* focused on investments in quality, onsite childcare.

Case studies used available financial quantitative data, qualitative data from key informant interviews (KIs), and secondary research to determine the contribution of the women-inclusive investment. The studies applied good practices in conducting contribution analysis ([Mayne, 2008](#); [DCED, 2021](#); [Hopkins, 2021](#)) using Theories of Change and contribution stories.

Figure 1: WI-ROI Framework



Which Companies Did We Study?

[Both case studies](#) document a company's inclusive investment, the business model of the investment, the data and process used to calculate the WI-ROI, and key lessons learned.

Grean World – Ethiopia. Grean World is an SME in Ethiopia focused on addressing the energy needs of rural consumers. The firm started with a centralized sales model, operating from large urban centers that had high transportation and maintenance costs. Grean World designed a new business model around its primary customer base, rural women. It applied a women-centered approach to marketing and sales by recruiting women as sales agents across remote areas. The case compares the original model to this women-centric approach and shows how the latter reduces costs while increasing sales for Grean World.

Okeba – Uganda. Okeba is an SME in Uganda that processes maize, soybean, and common beans. Many of Okeba's staff are women who have childcare responsibilities and, in the absence of alternatives, often brought their children to work. These unpaid care responsibilities had a high productivity cost for the women and Okeba. Thus, the SME decided to test a new business model and provide quality onsite childcare. The case compares the original model to the onsite childcare model and demonstrates how the latter reduced Okeba's labor costs.



What is a WI-ROI?

ROI is a quick financial ratio calculation to estimate and monitor the success of business decisions. When a business considers making expenditure changes, such as launching a new product or making workplace improvements, it is standard practice to consider the profitability of the new investments.

The term “WI-ROI”—women-inclusive return on investment—refers to an ROI that measures the financial success of investments that specifically aim to include and empower women. To yield a WI-ROI, the ratio must compare the benefit or loss (return) of a women-inclusive investment divided by the cost of the investment. For more detail on women-inclusive investments, see the [WI-ROI Framework](#).

Evidence on Financial Outcomes of Women-Inclusive Investments

The cases contribute to the growing evidence base that women-inclusive investments can lead to positive financial outcomes for firms, including SMEs in LMICs. Both demonstrated a positive WI-ROI from their investments.



Grean World – Ethiopia. To better serve their primary customer base—rural women—Grean World applied a women-centered approach to the marketing and sales of improved cookstoves in remote areas of Ethiopia. Female sales agents, so-called village-level entrepreneurs (VLEs), were at the heart of the inclusive business strategy, replacing a centralized sales model that was failing to deliver financial results. The investments under the new business activities included the demonstration stoves for potential sales agents, marketing costs (such as promotional materials), and salary costs of the district coordinators in charge of training the sales agents and conducting sales verification. The newly established workforce of female VLEs increased sales while variable costs (e.g., stove maintenance and breakage) and fixed costs (e.g., warehousing) decreased by 5% and 39%, respectively, thus increasing Grean World’s profits by 35% (See Table 1).

Table 1: Grean World—VLE Model WI-ROI Profitability Analysis

	Difference between the centralized sales and VLE models (%)
Revenue	-2%
Variable Costs	-5%
Gross Profit	23%
Fixed Costs	-39%
Operating Profit	35%

The WI-ROI calculations showed that the VLE model generates an additional USD 49,000 (ETB 2 million) in operating profit per annum. The cost of recruiting a staff of 65 women was USD 7,020 (ETB 292,500), resulting in a return of 6.98 birr per birr invested (i.e., a 7:1 WI-ROI). This is a considerable increase in profit for the company based on the new WI business strategy. Detailed information on the new business model, assumptions used, and WI-ROI calculations can be found in the [Grean World case study](#).

Okeba – Uganda. Okeba made a women’s inclusion investment aimed at improving its workplace culture and practices to support female employees—their primary talent base. To more easily recruit and better retain women, the agro-processor used existing office space to provide quality onsite childcare. The costs included initial investments (furniture, toys) and recurring annual operating costs (e.g., maintenance of the room, costs related to food and medical supplies for the children, and the salary of a childcare supervisor) (See Table 2). The WI-ROI calculations analyzed the change in worker performance. Improved quality of work and reduced absenteeism led to a decrease in cost per unit, as fewer bags of grain needed to be resorted since women workers were more focused once quality onsite childcare was available.

Table 2: Okeba—WI-ROI Calculation

	Value (USD)
Initial investment in daycare services at time 0	3,024
Daycare services recurring annual operating costs	4,032
Cash flow benefit	9,052
Net cash flow benefits	5,020

Table 2 shows that onsite childcare contributed an additional USD 9,052 (UGX 32,327,577) in cash flow benefits, which was reduced by USD 4,032 (UGX 14,400,000) in annual operating costs. This resulted in a net cash flow value of USD 5,020 (UGX 17,927,577). The WI-ROI was calculated by dividing USD 5,020 (UGX 17,927,577) by the investment costs at time zero—USD 3,020 (UGX 10,800,000). This resulted in a gain of 1.66 per UGX invested (a WI-ROI of 1.66), creating considerable value for the company. Detailed information on the investment model, assumptions, and calculations can be found in the [Okeba case study](#).

Why the WI-ROI Builds the Case for Inclusive Business

The cases demonstrate that utilizing the WI-ROI framework to guide impact measurement of women-inclusive business investments has key benefits for scaling this evidence base.

Aligns with business language and incentives.

Utilizing an ROI calculation to estimate and monitor business decisions is common practice within the private sector worldwide. Businesses use these ratios to unpack expenditure changes and understand the profitability of new investments over time. Using standard financial performance ratios is a global business language. It allows investors and funders to better communicate with businesses while also comparing apples to apples across business investments, regardless of geography or investment type. It also translates benefits into measures of profit and aligns strategy with the business’s bottom line. Importantly, both cases demonstrated that private firms are also interested in social impact and data. The WI-ROI, therefore, aligns with familiar business language and performance data but also recognizes social outcomes in addition to financial returns.

Uses existing business data.

Many businesses have the existing financial data required to calculate a WI-ROI. The need to collect additional and/or primary data to establish the data set for a WI-ROI is often minimal. This allows the method to be low cost and easy for firms to identify and share the requested data. It also means that it makes it possible to scale across diverse geographies, sectors, and firm sizes. That said, the granularity of the data is important for WI-ROI calculations. Firms with less data sophistication may lack the granular, sex-disaggregated cost data necessary. Thus, working with these firms to unpack their existing data is critical to supporting successful WI-ROI calculations. Time and commitment are needed from firms and implementers for this to happen.

Supports localized learning systems and data literacy.

Across the world, large and small businesses alike struggle to find time and resources to enhance their data collection and learning capabilities. In both cases, the process of applying the WI-ROI allowed the firms to reflect on the particular investment but also provided the basis to strengthen broader data literacy within their teams. As an interviewee from Grean World said, “It’s an eye opener for us, understanding what data is needed [for this calculation].” Okeba’s insights were similar, as expressed by a key informant: “We need to invest in data. Data will help us to make good investment decisions.” The WI-ROI co-development method has the potential to ensure more time is spent building SME knowledge, systems, data, and learning capacity, which greatly benefits firms and strengthens local business systems. The process can reduce extractive research practices and ensure local learning alignment by investing not only in the calculations but also in strengthening SME data literacy. By supporting the localization of learning, the WI-ROI not only enhances firm-level success but also strengthens the competitiveness and resilience of inclusive market systems ([MarketShare Associates, 2023](#)). In the case of Grean World, the WI-ROI calculation process prompted the SME to invest in a data management app that could be used by all employees and would track sales, expenditure, stock, and sales agent activity. Although the idea of the app existed before engaging with MSP, it was the recognition of the advantages of electronic data accessibility that prompted the SME to go ahead with the investment.

Improves the level of research rigor across a portfolio of companies.

The complex realities in which many SMEs operate in LMICs present challenges to attribute financial returns to specific business strategies. In the absence of a counterfactual (and to save time and resources), the cases applied aspects of contribution analysis. Each case developed a Theory of Change to show how the activities under the new inclusive business strategy led to intermediary business outcomes and, ultimately, impact. At the same time, it ensured due diligence on the women-inclusive nature of the investment. This process, in turn, guided the selection of financial metrics used for the WI-ROI calculations. The approach allows for the data to be tailored to each specific business while also ensuring select standardized metrics, where possible, for comparison across a portfolio of companies. The cases demonstrated how this contribution method could be scalable while also ensuring contribution rigor.



Lessons on Selecting and Vetting Companies

The purposeful selection of good practice cases influenced the positive WI-ROI results. As noted in the [Navigating Firm Selection for Women-Inclusive ROI—A Learning Note](#), various cases during the selection phase were dropped due to a lack of confidence in their potential to deliver benefits for women, the quality of data available, or the overall profitability of the business model. Therefore, when applying the WI-ROI pre- or post-investment, due diligence on the women-inclusive impact, the feasibility of comparing a business-as-usual approach with the women-inclusive approach, and data availability is critical. More detailed information on selecting and vetting companies to apply the WI-ROI can be found in this Learning Note.

Considerations for Scaling the WI-ROI Framework to Build the Case for Inclusive Business



Use a mix of standard and tailored metrics when selecting financial performance metrics.

The WI-ROI Framework provided the case studies with guidance and examples of financial performance metrics for each of the women-inclusive business strategies. While many of the financial metrics are standard, key metrics need to be adjusted to align with each inclusive business model and to account for data availability. For example, in the case of Okeba, it was assumed in the Theory of Change that the newly provided onsite childcare would decrease women's and carers' absenteeism and presenteeism as documented in the WI-ROI Framework. However, the company did not have the data required to use either as a metric for the WI-ROI calculation. Instead, easier-to-gather metrics were used, such as the quantity processed by women sorters and gross profit per kilogram of yield. This type of flexibility is needed, particularly for ex-post WI-ROI calculations. Applying the WI-ROI ex-ante allows for greater flexibility in selecting fit-for-purpose financial performance metrics and data collection.



Identify clear before-and-after models for more straightforward WI-ROI calculations.

Isolating the impact of women-inclusive activities can help in better understanding their contribution to a WI-ROI. In the case of Grean World, the SME discontinued its centralized business model before the implementation of the women-inclusive model (i.e., the decentralized female sales agent model). When a company integrates various inclusive business initiatives simultaneously across multiple operations, identifying a clear before-and-after scenario is more challenging (if the goal is to measure the WI-ROI of one initiative). A social enterprise was identified for vetting with an exciting talent and leadership program to attract, retain, and promote women into senior positions. The women-inclusive practices were tightly woven into various business operations, and the costs specific to the different initiatives were not tracked separately. Ultimately, a WI-ROI could not be calculated. Therefore, whether applying the WI-ROI ex-ante or ex-post, identifying a clear before-and-after model so costs can be appropriately tracked enhances the accuracy of the calculations.



Determine if data availability and leadership support are in place.

The sample set of considered cases (including those not selected for WI-ROI calculations) demonstrated significant disparities in data availability across these SMEs. Most firms collected basic cost and revenue data—usually to satisfy regulatory or tax requirements—but fewer companies had granular cost and revenue data on specific business strategies. Grean World, for example, had data on fixed and variable costs (including training, marketing, transport, breakage, maintenance, and even minor costs like printing), in addition to comprehensive sales and revenue data, which enabled the calculation of an accurate WI-ROI. In the absence of detailed cost and revenue data, proxies and total values can be used, combined with clearly defined assumptions and transparent limitations on the insights. For example, one short-listed company did not have the detailed data required to test the WI-ROI of its new talent and leadership initiative. Alternative proxy variables were identified during the metrics selection stage (e.g., recruitment costs as a measure of cost of turnover). Determining whether companies possess the right data to facilitate an ex-post WI-ROI calculation requires a careful assessment. The paper on Vetting and Selection provides detailed insights into assessing data availability.

Additionally, SME leadership buy-in is an essential ingredient of a successful WI-ROI measurement process. In both cases, close involvement of senior leaders ensured a smooth process and transfer of detailed information. This allows for more comprehensive knowledge of the business model, including the rationale behind its design and implementation and information on how the overall company strategy supports WI-ROI calculations. For example, Grean World's Co-Founder conveyed the new inclusive business model, how it evolved from the previous strategy, and how it benefits both the company and female consumers. While data requests and clarification are usefully delegated to accounting and finance staff, an understanding of the business model and company strategy is needed to provide contextual information and explain data trends. In Okeba's case, initial data suggested reduced worker compensation due to onsite childcare. In fact, conversations with business leaders clarified that greater compensation is an indicator of the need to resort to grain, and reduced compensation means higher-quality processing.

Conclusion

The WI-ROI framework offers a valuable tool for development practitioners to investigate if women-inclusive business models deliver financial returns (the "ROI") while also benefiting women as workers, consumers, or as part of supply chains (the "WI"). By leveraging existing business language and incentives, WI-ROI initiatives have the potential to transition women-inclusive business models from a "gender niche" into mainstream business operations.

The two case studies and vetted business strategies demonstrated a scalable and impactful outcome for businesses that implemented women-inclusive investments, with a range of practical insights and learning along the way. Both emphasized the importance of clear before-and-after scenarios for WI-ROI calculation, thoughtful metric selection, and the potential of contribution analysis (i.e., Theory of Change) to investigate the women-inclusive nature of business strategies. Importantly, the success of calculating a WI-ROI is also rooted in the trust developed through a co-development process between SMEs and development practitioners.

The WI-ROI calculation not only reveals the return on investment of women-inclusive business strategies but also opens opportunities for broader enterprise development. For Grean World and Okeba, the process served as a robust demonstration of leveraging financial data to gain deeper insights into the profitability of business choices and inform future business strategies, such as investment in better data processing.

For USAID, the WI-ROI provides opportunities to facilitate impact through light-touch engagement to document innovative business models that support gender equality and enable businesses to thrive. The resulting evidence can be shared for other SMEs to learn from the experience as well as disseminated by companies to attract partners and investments. As one key informant expressed: "Partnerships are sometimes not about money [...] There are areas where you just need to get the right skills and knowledge, and later on, this transforms into the money that you want."

The positive results of both interventions build a strong case to catalyze further investment and prioritization by USAID, other donors, and private sector managers in the continued development of evidence and approaches surrounding women-inclusive investment models. Moving forward, there is an opportunity to expand the application of the WI-ROI framework and measurement methodology, both ex-post and ex-ante, enabling tailored metric selection, capacity building, and local learning for SMEs in LMICs.

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