

# FUNDAMENTALS of PRIVATE SECTOR ENGAGEMENT

*SUFIA PSE Webinar Session 1*  
*June 7, 2022*

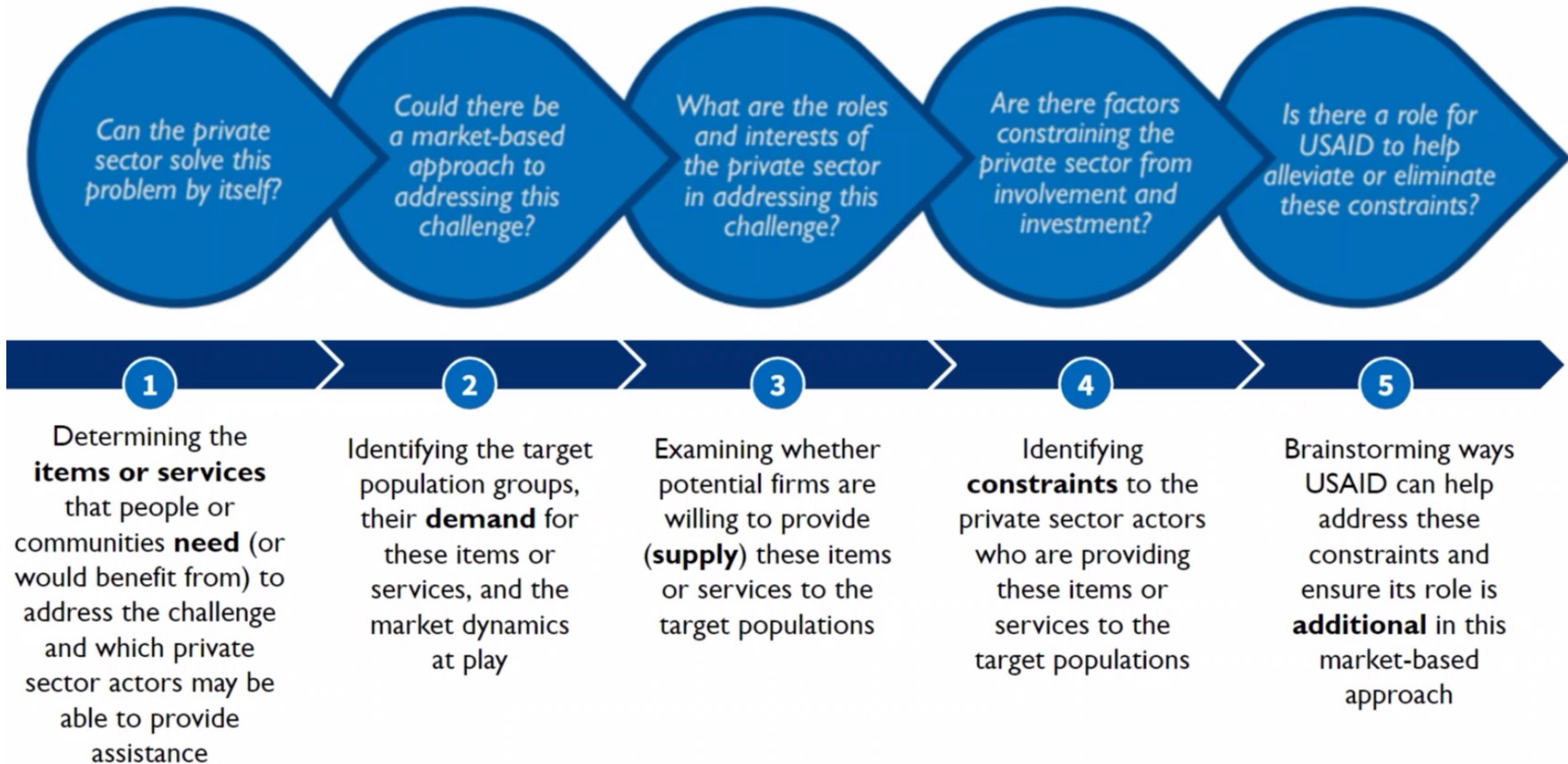


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# **PUTTING USAID'S PSE POLICY INTO ACTION**

# USAID's PSE OPPORTUNITIES TOOL



<https://www.marketlinks.org/blogs/introducing-pse-opportunities-tool>

# ASSESSING POTENTIAL PARTNERS



- 1 Low will, low skill:** Potential partner lacks incentive and capacity to change. Engagement options include (1) reconsidering the feasibility of change, or (2) using a hard sell strategy to develop the competence and motivation of the partner.
- 2 High will, low skill:** Potential partner displays strong incentives & is responsive but capacity to pursue change is underdeveloped. Engagement should focus on building partner's skills and knowledge to operate outside current comfort zone to deliver desired change.
- 3 Low will, high skill:** Potential partner has capacity to change but interest and motivation to change is low. Engagement should focus on making the business case for change or reducing incremental risk associated with change.
- 4 High will, high skill:** Potential partner appears both competent and willing to change. Engagement options include (1) identifying pre-commercial areas that need focus to scale their model, or (2) conducting further analysis on factors to improve in the business enabling environment.

SOURCE: [AIP-RURAL Deal Making & Relationship Management Guidelines for private sector partners](#)



# MY TOP 5 PSE TIPS

**TIP #1: BE CURIOUS!**



# UNDERSTAND WHAT MOTIVATES THE PRIVATE SECTOR

*Businesses are driven to engage in development and partner with USAID to:*



**Drive growth and profitability**  
Revenue growth, new markets, new customers, new products




**Mitigate risk**  
Political, operating, financial, market, reputational, etc.




**Achieve sustainability goals**  
Reduce environmental impact, positive impact on employees and communities



**Attract and retain talent**  
Employee engagement, recruitment, healthy and productive workforce

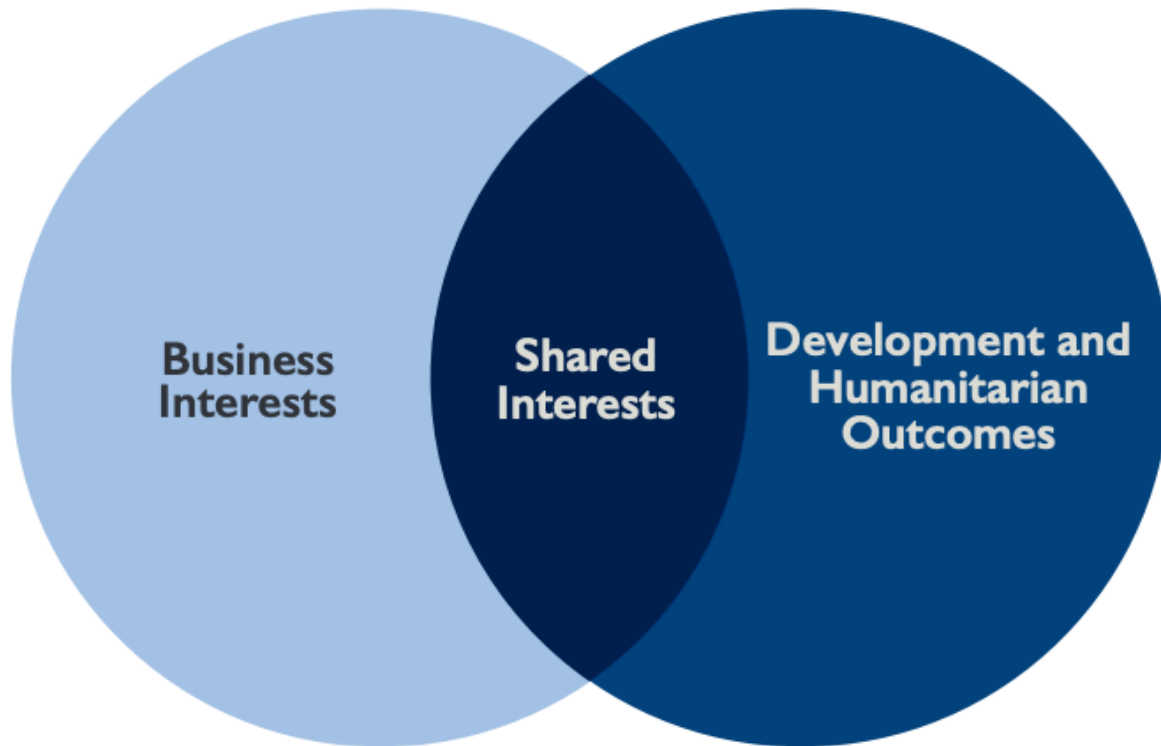


**Strengthen reputation and relationships**  
Improve image, build relationships with governments and communities, secure “license to operate”



**Innovate**  
Enable business outcomes through reduced cost, increased profitability, improved quality and efficiency

# TIP #2: ALIGN INTERESTS!

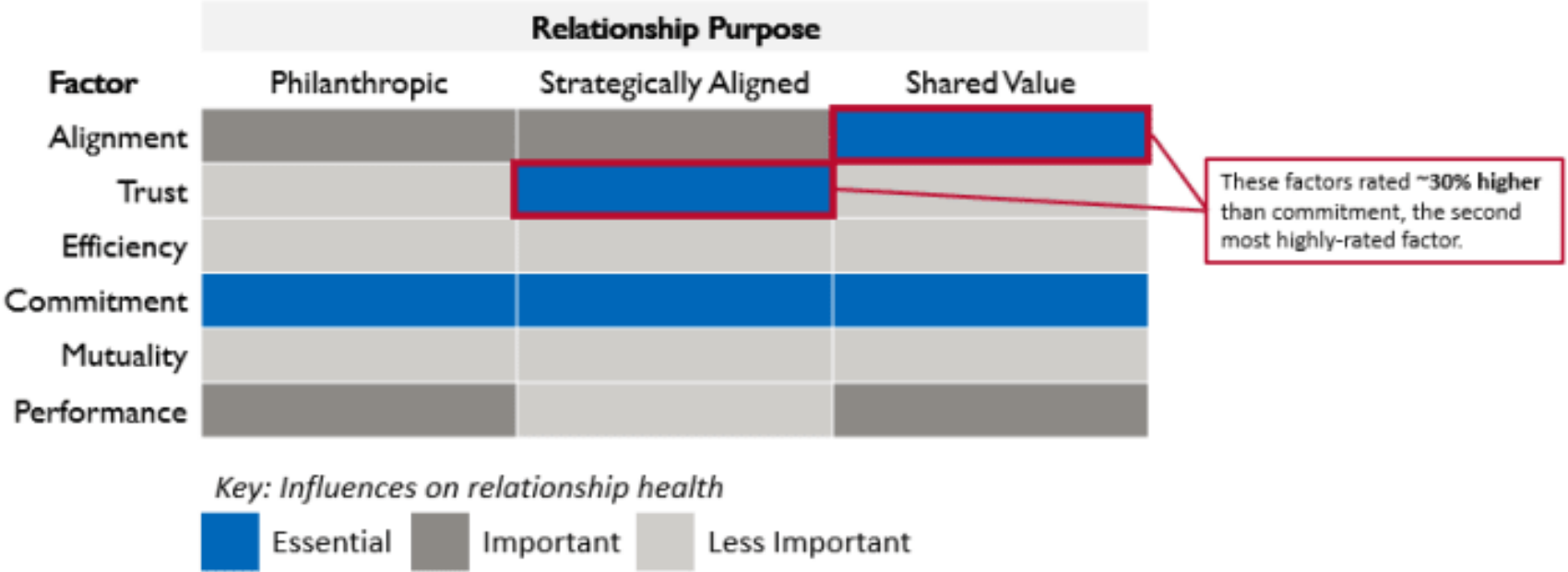




The image features a warm, golden-hour background of a beach with waves. In the foreground, the silhouettes of four people are shown holding hands, standing on a wooden pier or boardwalk. The scene is backlit by the sun, creating a soft, glowing atmosphere. A dark blue horizontal band is superimposed across the middle of the image, containing the text.

**TIP #3: INVEST IN RELATIONSHIPS!**

# RELATIONSHIP HEALTH FACTORS



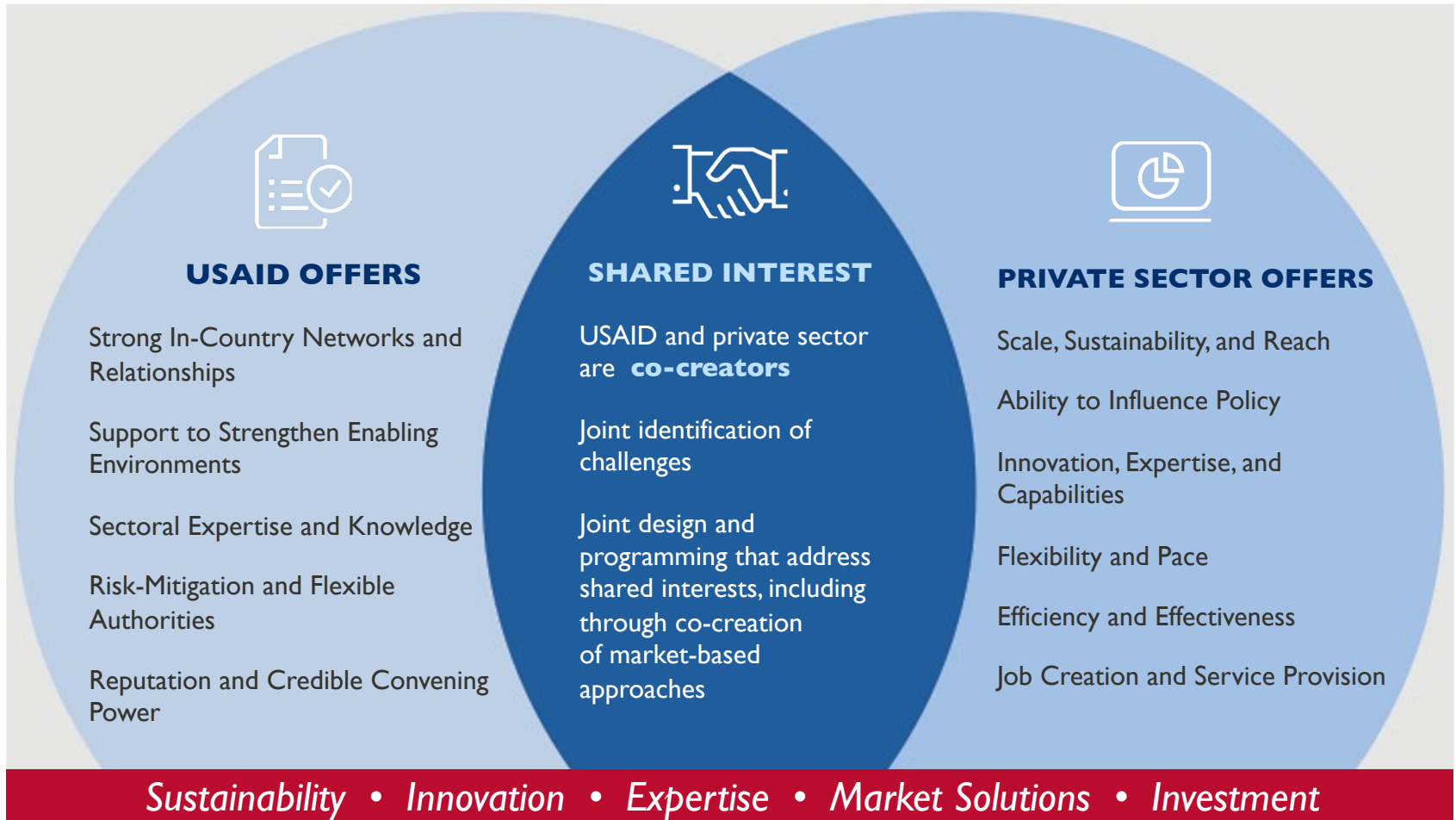
Source: [USAID's partnership health: 5 lessons from the private sector](#)



**TIP #4: MAKE IT WORTH THE EFFORT!**



# VALUE PROPOSITIONS





**TIP #5: PLAN FOR TRANSITIONS!**

# REMINDER OF MY TOP 5 PSE TIPS



QUESTIONS?

