Frontier Market Scouts: Bridging Social Impact Investors and Entrepreneurs

Frontier Market Scouts (FMS) is an innovative program that selects and trains aspiring international professionals to become talent scouts and investment managers, facilitating access to capital for enterprising local businesspeople in low-income markets around the world. Scouts provide both on-the-ground due diligence for social impact investors and technical assistance for local entrepreneurs. The FMS program was developed by the Monterey Institute in partnership with the Sanghata Institute of Social Entrepreneurship and Investment.

“Frontier market scouts discover local entrepreneurs and help them connect with investors in the markets that need both the most,” says Dr. Yuwei Shi, founder and co-director of the program, and dean of the Monterey Institute’s Graduate School of International Policy and Management. “In the process, the scouts discover themselves—their passion, talent, and fortitude, and their career and life paths.”

Before leaving for a six-month assignment in the developing world, scouts go through an intensive three-week training program delivered by leading experts and practitioners in social entrepreneurship and investment. Successful applicants to the program have solid backgrounds in business and management, experience and adaptability in challenging environments, and a strong belief in enterprise and market development as one of the most important vehicles for improvement of living standards in low-income countries.

The program trains and sends scouts to frontier markets twice a year, in January and June.

Once in the field, the scouts work to identify the best entrepreneurs and most investment-worthy ventures in the area. After the prospective ventures have been identified, the scouts work with the local entrepreneurs and investors to help conceptualize the business idea, develop a business plan and an entrepreneurial team, provide due diligence, obtain investment capital, and scale the business.

A challenging assignment that allows them to apply their classroom learning in a real-world setting is what a scout expects. A jumpstart on a rewarding career in social impact investment is what they hope for.

For more information on the Frontier Market Scouts Program, please contact Carolyn Taylor at cmtaylor@miis.edu or 831.647.6417.

Pilot Scouts in the Field

Early in 2011, students from the Monterey Institute of International Studies departed to India, Tanzania and Vietnam to spend six months as pilot scouts for the newly-established Frontier Market Scout (FMS) program.
The FMS program is partnering with VilCap, Inc. to expand the successful Village Capital Program worldwide. The VilCap-FMS partnership deploys scouts to work with local partners to develop entrepreneurial incubators in Abu Dhabi, Bhutan, Cairo, Cape Town, Ecuador, Hong Kong, India, London, Sao Paolo, and a number of other sites.

Other FMS investor and intermediary partners include ANDE, Choice Capital, Root Change, SNV, and Toniic.

The FMS program is a partnership between the Monterey Institute and the Sanghata Institute of Social Entrepreneurship and Investment (www.sanghata.org). Sanghata seeks to improve the livelihoods of people in low-income countries through enterprise development.

The Frontier Market Scouts training program includes the following courses, all of which can be taken for academic credit:

- The Essentials of Business Modeling
- Investing and Building Social Ventures
- Market Research Strategies for the Base of the Pyramid
- Social Investors and Impact Management
- Professional Preparations for Frontier Market Scouts

What impact does the Frontier Market Scouts Program aim to have?

The program’s goal is to accelerate poverty alleviation and wealth creation through:

- Increased awareness of market challenges and opportunities at the “bottom of the pyramid” in the worldwide business community.
- More entrepreneurial ventures or investment funds aimed at serving capital-weak markets.
- More multinational corporations designing products and services for frontier markets.
- More attention and interest paid by local governments to small businesses and grassroots entrepreneurs as engines of growth, resulting in more financial and regulatory incentives, as well as more investment in relevant public infrastructure.
- A greater emphasis on market solutions and private sector development in the non-profit and public aid communities.

“The Frontier Markets Scouts are on the front line of impact investing—exploring enterprises, regions, and cutting-edge business models no one has explored before. Very few programs have this much potential to change the world.” — Ross Baird, Executive Director, Village Capital Inc.

“The Frontier Market Scouts program has given me the opportunity to breathe at the nexus of international development, sustainable business, and innovative technology. I have matured mentally, socially, and emotionally from this experience. I am also humbled by having been part of this program with my fellow scouts, entrepreneurs, and investors.” — Ravi Kurani (MBA ’11), Frontier Market Scout