



**SMEs' Needs, Support,
Services and Cost recovery**
BEST Experience
Mr. Hatem Zaki
Tunis 11- 14Dec.,06



best
Business Enterprise Support Tools



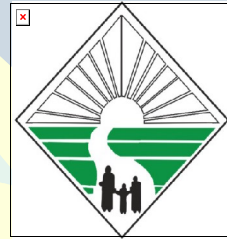
**Business
Enterprise
Support
Tools**



BEST is a joint UNDP/SFD initiative...



Dec- 2002



Government of Egypt
Social Fund For Development

رئاسة مجلس الوزراء
الصندوق الاجتماعي للتنمية

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Background

- BEST is a joint UNDP-SFD project aiming at **supporting** small and medium Enterprises (**SMEs**) **through** independent, **self- sustainable** and integrated **business support centers** (IBSCs) using a **market- driven approach to job creation**.
- Our goal is to support SMEs in providing quality products, services and empower them with the skills and the tools required to create new channels in national and international markets.
- Currently we are registered under law 84 for year 2002 under number 2549 dated 30-1-2006 as **non profit organization NGO**, one mother foundation with four branches, other branches will be opened.



Mission

To demonstrate best practices in supporting small businesses, through a self-sustainable, business support centre model, using an integrated approach to job creation

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Strategy

- To pilot test an approach to provide BDS to small enterprises by establishing Integrated Business Support Centres (IBSCs) in all governorates starting by four pilot communities - Beni-Suef, Menia, Fayoum and Giza, another 4 are being added.

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Target groups

- Unemployed
- Small enterprises
- Farmers
- Local NGOs
- Gender Focus



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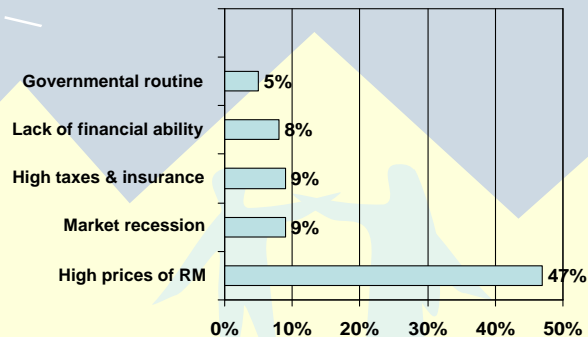
SMEs.....definition by law 141 for year 2004

- The Small Enterprise is:
 - Project with paid up capital not less than 50,000 EGP and not more than 1,000,000 EGP and with number of employees not more than 50.
- The Very Small (Micro) Enterprise is:
 - Project with paid up capital less than 50,000 EGP.



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Problems of small companies



However:

- Only 10% of small companies have sent one employee for **training**. Fields of training were:
 - Computer skills, making bread, turnery, breeding poultry, and selling skills.
- **21% have found it difficult to find trained labor** in:
 - Manual crafts (turnery, carpentry, smithery), poultry, livestock, and **bees breeding**, and baking bread and deserts.

Support Needed (small companies)

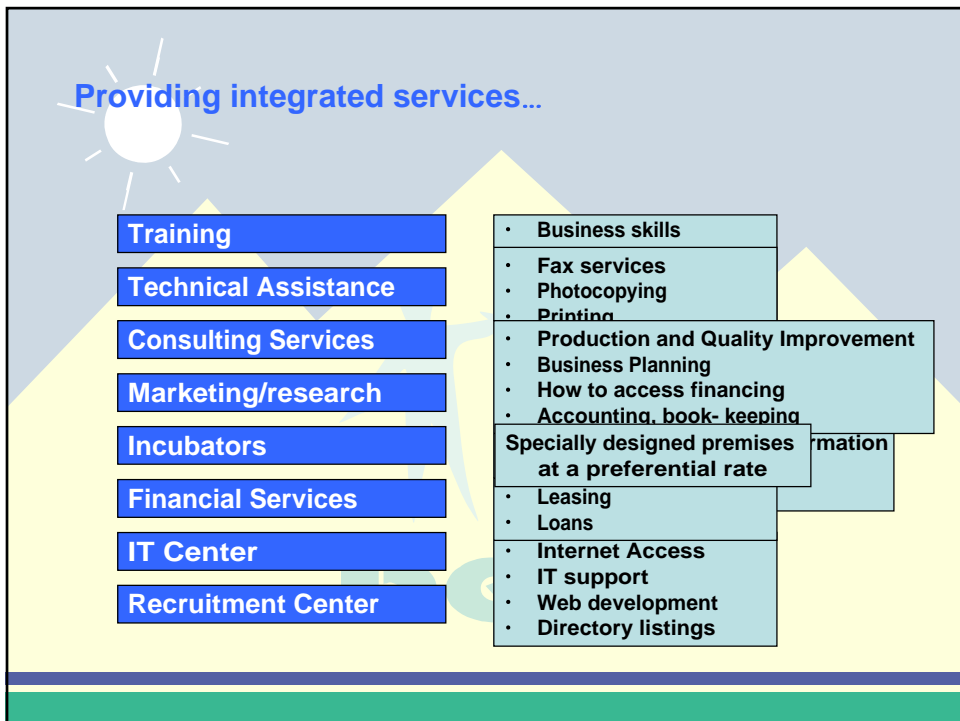
Loans & financing

- **Only 8% received loans**. Whereas, 92% either failed or did not apply for loans due to:

| | |
|-----------------------------------|-----|
| – Discouraging banking conditions | 33% |
| – High interests | 26% |
| – Sufficiently financed | 24% |
| – Lacking guarantees | 6% |

Technical Assistance

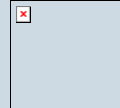
- **35% of the small companies need TA** in the following areas:
 - Developing production & modern machinery
 - Livestock & poultry
 - Bees health care
 - Raw materials types & market places
- **Most owners rely on friends' experiences**, and veterinary units for such assistance.



Partnerships.....

1- Donors:

- **Social Fund for Development (SFD)**
 - SFD is the founder and the main donor for BEST project.
- **United Nations Development Program (UNDP)**
 - UNDP is a founder of BEST project, they offer funding and technical support.
- **Business Development Services Support Project (BDSSP) - Canadian International Development Agency (CIDA)**
 - The BDSSP is funding the "Molasses and Honey Export and Technical support Unit" (MHETU) at Menia center.
- **Catholic Relief Services (CRS)**
 - CRS is funding the "Supporting the families affected by the Bird Flu crisis" at Fayoum and Menia governorates



Public Private Partnerships.....

2- Corporate Social Responsibility (CSR):

- **Cisco**
 - Through the Electronic Learning Competency Center (ELCC) - BEST is delivering Cisco curriculums and BEST centers are now certified as:
Cisco Networking Academies
 - the agreement between BEST and ELCC was signed at Menia on the 24th of September, 2005.



Cisco.....

- Training Of Trainers (TOT) for 18 BEST IT trainers on **IT Essentials I and II** and on **Basic Computer for Business (BCB)**.



Cisco trainings at the centers




Cisco trainings at the centers



Cisco.....

- 526 trainees graduated from the local academies...
 - IT Essentials I: 186 trainees
 - IT Essentials II: 30 trainees
 - BCB:310
- 27 trainees are attending the courses
- 26 trainees are on the waiting list

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Cisco.....Success Stories

Name: Ahmed Korany Zaki

- Ahmed decided to have an IT career but his education wasn't related to IT, so he decided to **join the courses of BCB, IT Essentials I and IT Essentials II to get the necessary knowledge**. After finishing the courses he decided to **start his own business** rather than waiting for a job opportunity, so **he established an Internet Café** on the 26th of October, 2006 with the following services:
 - **Internet Access**
 - **Computer maintenance.**
- Ahmed now is recruiting 2 other workers rather than him self.



Cisco.....Success Stories

5/ of BEST Academies' graduates were rewarded by the Ministers of Communication & IT, Education and Higher Education, during the Egyptian Education Initiative (EEI) conference.

Public Private Partnerships.....

2- Corporate Social Responsibility (CSR):

- **Microsoft**
 - On January, 2006 BEST signed an agreement with Microsoft to deliver the **Unlimited Potentials (Ups) program both the Management and Vocational tracks through BEST Centers.**
 - Till now **159** trainees graduated from both tracks at the centers.

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More Public Private Partnerships.....

2- Corporate Social Responsibility (CSR):

- **Shell**
 - On July, 2006 BEST signed an agreement with **Intlaqah** program to **train youth to be qualified to manage SMEs**
 - Till now 27 students graduated from the program in two courses in Beni Suef and Fayoum
 - 20 other students started their training on November
 - 77 candidates are to be interviewed soon

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Franchise Partnerships.....

3- Cooperation:

- **AXON:**
 - On August, 2005 BEST signed an agreement with AXON to **deliver 5 European languages and IT trainings**
 - 170 trainees completed different courses till now
 - 98 trainees are currently attending different language and IT courses



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Partnerships with Universities.....

3- Cooperation:

- **Arab Academy for Science, Technology and Maritime Transportation - Productivity and Quality Institute**
 - On September, 2006 BEST signed an agreement to deliver **training in Quality assurance, environment and safety measures**



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Initiatives


1. Internship:

- **BEST has introduced the internship concept through recruiting volunteers and training them at the centers.**
- Through that they get trained on some activities and some tasks are assigned to them.
- After spending some time they get the experience that enables them to find good work opportunities, and some of them are hired by BEST.

Initiatives.....

2- Public Awareness Campaign (PAC)

- BEST have conducted and participated in many conferences, seminars and workshops to address various topics of interest like NGOs role in development, Herbs and spices export, SMEs development,.....



Employment training component

- BEST is supporting SMEs to recruit qualified staff through participating in training the candidates according to SMEs' requirements.
- Candidates are selected and trained for the SMEs and according to their needs.
- BEST contributes to the training cost.




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Financing Mechanisms:

1. SFD loans:
 - BEST is helping qualified clients to obtain loans through SFD.
2. Transfer to others:
 - BEST is helping clients to get finance from other entities (NGOs, banks,.....) if they do not comply with SFD regulations .
3. Leasing:
 - BEST has set a leasing finance mechanism for SMEs in corporation with Incolease co. The seed money for this 720,000 USD



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Special Project Fund component

- BEST is establishing a special project fund where the **PMU plays the rule of the donor.**
- The **centers** to be trained on **proposal writing** and to **apply to the PMU** for funding.
- the initial seed for this component is 200.000 USD

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Sustainability

- Financial Sustainability is a percentage of the income to the total expenses.

| | Beni Suef | Menia | Fayoum | Giza |
|-------------------------|-----------|-------|--------|------|
| Average 2005 | 21% | 35% | 16% | 10% |
| Average Jan-March, 2006 | 35% | 58% | 32% | 22% |

Revenues breakdown

| Project Indicators | Giza (operational Jan, 2005) | Fayoum | Beni Suef | Minia | Total |
|--|------------------------------------|--------|--------------|-------|-------|
| Permanent jobs created | 286 | 449 | 385 | 314 | 1434 |
| Temporary jobs created (man-months) | 509 | 642 | 843 | 1360 | 3354 |
| People trained | 383 | 588 | 585 | 273 | 1829 |
| Support to credit access (# of loans disbursed) | 7 | 14 | 15 | 4 | 40 |
| Marketing (incl. B2B links and # of clients assisted with participation in exhibitions) | 125 | 212 | -- | 150 | 487 |
| ITC clients served | 292 | 157 | 140 | 297 | 904 |
| # of BI tenants | 4 | NA | NA | 3 | 7 |

Achievements

- Long Term jobs: 1629
- Loans: 52 loans with total amount of 2,333,850 EGP
- Trainees: 3081
- Technical assistant services: 1849
- Marketing and Business Development: 467

Special Projects Spotlight

Molasses and Honey Export and Technical Support Unit (MHETU)

- Business Development Services Support Project (**BDSSP**) funded by (**CIDA**) is funding the "Molasses and Honey Export and Technical support Unit" (MHETU) at Menia center.

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Unit starting steps

- **Research** on honey and molasses.
- **Workshops** have been conducted to identify the challenges.
- **Proposal** to BDSSP.

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A Specialized lab. was established to:

- 1. Diagnoses bee diseases**
- 2. Analysis honey & molasses samples**
- 3. Analysis other bee products (royal jelly- propolis)**

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Unit technical team made on-field visits to Districts like Maghagha and Bani Mazar with a small portable pharmacy to deliver the service on- site for the clients

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Marketing

- Registration in ALI BABA & WORLD TRADE web-portals to get export opportunities for fancy molasses and honey
- cooperate with large companies for food industries to market Honey in the local and external markets on behalf of our clients
- Till now we sold 23 tones
- We are about to sign a contract for 120 tones



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