

KNOWLEDGE GIFT TITLE:

SME Business Training and Coaching Loop

COUNTRY(IES) / REGION:

Benin and other African countries

LEAD ORGANISATION:

GIZ

CHALLENGE / PROBLEM

Strengthening the entrepreneurship skills of existing small and medium-sized companies in view of increasing employment, revenues as well as enhancing the well-being of poor population living in rural, peri-urban and urban regions



MAJOR ASSUMPTIONS MADE

- Improving entrepreneurship skills leads to enterprise growth (that increases turnover and employment)
- Entrepreneurship skills can be improved most efficiently through a structured combination of training and coaching during a limited period of time: Selection of enterprises with growth potential crucial



SOLUTION OFFERED

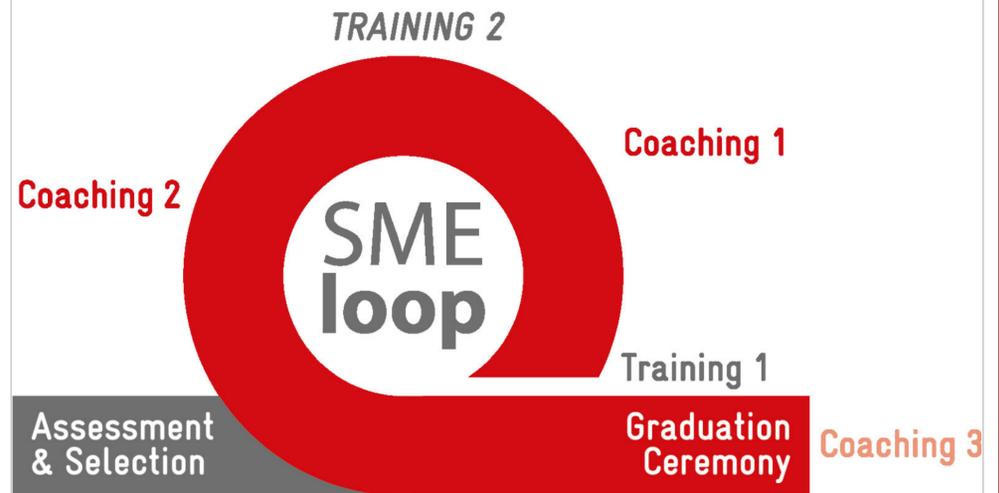
The SME Loop consists of 7 steps:

- (1) Assessment and selection,
- (2) first training (3 days),
- (3) first coaching Phase 1 (2 months),
- (4) second training (3 days),
- (5) second coaching Phase 2 (3 months),
- (6) graduation ceremony (1 day),
- (7) additional coaching (4 vouchers for coaching)

currently 12 operators (11 national, 1 international)



ILLUSTRATION / VISUAL



OUTPUTS CREATED

In Benin, 1997 companies have been accompanied, 400 companies are currently selected/starting the SME Loop. More than 1275 entrepreneurs defended their business plan before a financial institution; 42 business coaches have been trained. 16 Business Coaches are actually providing services, 1 coach is working with 25 entrepreneurs. Handbook and coaching guide on the SME Loop available; The African Excellence Centre for SME Promotion is offering trainings for project staff, coaches etc. how want to implement the SME Loop



INDICATORS / SCALE / IMPACT

SMEs increased their turnover at an average of 112%; Out of the 1597 companies surveyed (survey dated May 2017& August 2017& August 2018), 552 companies (35%) created permanent jobs. 552 companies created 1159 permanent jobs (on average 2,1 jobs/company), 48% for women and 82% for Youths. Compared to the group of control, companies trained by "SME-BCL" created 1,5 more permanent job/company.



PARTNERS

- Ministry of Agriculture, animal husbandry and fisheries Benin
- National and international service providers and NGOs
- GIZ Sectoral Department Economic Policy and Private Sector Promotion and Agency for International Cooperation
- Suisse Confederation/Direction for development and cooperation (Co-financing)



KEY RECOMMENDATIONS / UNIVERSAL PRINCIPLE

- Measurable and visible results as from 6 months;
- Helps to efficiently reach a large number of beneficiaries; potential for replication and up-scaling
- Combination of training and coaching; adjustable to company's needs
- Adjustable to different value chains or independent from a vc development approach



REPLICATION POTENTIAL / SUSTAINABILITY

Due to the excellent results regarding turn-over and employment the approached is considered as the central approach to promote entrepreneurship skills in the food industry in Benin. GIZ is currently working with the Ministry of Agriculture on the institutionalization of the approached to reach a larger number of beneficiaries. The approach is replicated by several GIZ projects in Africa.



TOPICAL FOCUS

- MSME segmentation & entrepreneur-centred approaches
- Interplay between financial & non-financial services
- MSME support in digital era
- Entrepreneurial eco-systems & local advisory service providers
- New trends in MSME development

- Green
- Gender
- Fragility

SUB-TOPIC SELECTED Lessons learnt and what to take forward

Facilitated by:

